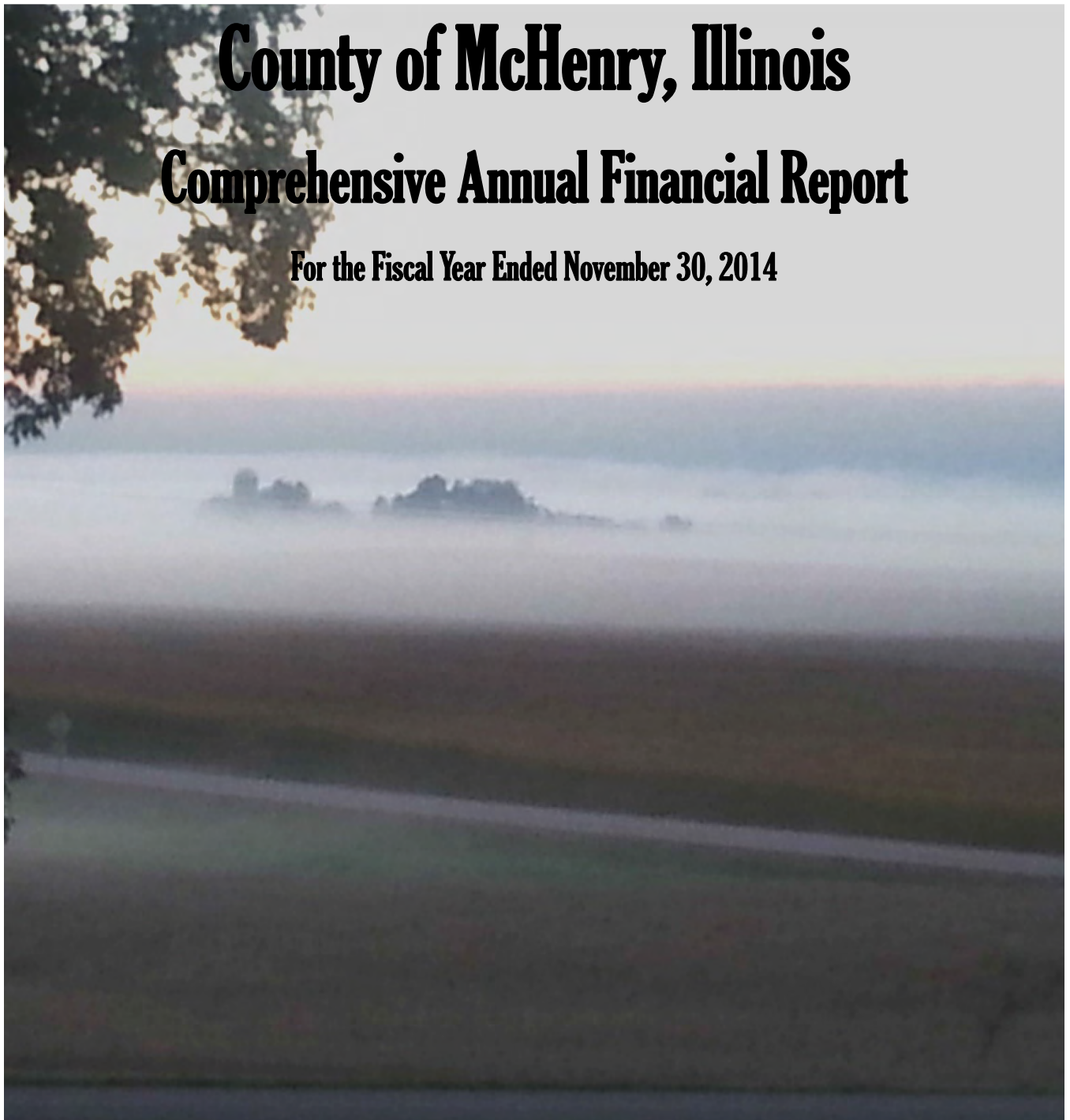


County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended November 30, 2014



**The Hands That Feed Us -
A Tribute to McHenry County Farmers**



A TRIBUTE TO MCHENRY COUNTY FARMERS



The first settlers of the eventual area formed as McHenry County were faced with difficult and grueling work to turn the open prairie land into farmland through the usage of rather crude equipment and horses. Agriculture, dairying and grazing were the County's chief industry in those early days. Much of the farm products raised were used locally until the advent of railroads and refrigerated cars, which brought about changes in shipping and enabled marketing. According to the 1922 *History of McHenry County*, dairying was carried on so extensively that the county was said to have more cows per acre than any other county in the United States. At the start of the decade of the 1920's, McHenry County recorded its largest number of individual farms with 2,874. In comparison, in 2012 there were 911 farms in the County.



Although the number of farms decreased over the years, the people fed per farmer has significantly increased. The following are the statistics of the number fed per farmer according to the USDA and the Illinois Farm Bureau: 1940 (18.5 people); 1960 (46.2 people); 1980 (100.4 people); 2005 (144 people); 2012 (158 people). Research and new equipment/technology have contributed to the boost in production, but ultimately, it is the farmer who plans and works for hours on end to help feed the world.



Thanks to favorable prime soils, McHenry County farmers produce nearly one billion total pounds of food per year in the form of commodity grains, beef, hay, and milk. In fact, last year's corn, wheat and soybean production added \$100 million plus dollars to our local economy, according to Dan Volkers, McHenry County Farm Bureau Manager. These crops are distributed through commodity channels where prices are subject to broad competitive market forces. Specialty crops, on the other hand, typically sell direct to the consumer at higher retail market prices, but on a much smaller scale than commodity crops, such as vegetables.¹ It is also interesting to note that McHenry County's current dairy production is ranked 7th out of the 102 counties in Illinois.



According to the McHenry County Farm Bureau, there is a total of 215,584 acres in the county devoted to agricultural use, of which 1,896 acres are used for vegetable production. There are 82 farms with vegetables, melons, potatoes, and sweet potato production. Additionally, 25 farms produce fruits, trees, nuts, and berries. Although the amount of land in vegetable and fruit production is a small fraction compared to total farmland acreage in McHenry County, its food growing capacity can go a long way toward meeting demand and puts the County in the top ten ranking for production for Illinois. Specialty farming has also been evidenced by the rising number of farmer's markets operating in the County.¹



Recognizing dairy farming each year is the Harvard Milk Days Festival, which takes place in Harvard, Illinois the first week of June. It is the **longest running festival in Illinois**, started in 1942 to honor the area farmers for their "War Effort" of increasing milk and food production for the servicemen. At that time, there were seven dairy companies within a 15-mile radius of Harvard and more milk was being produced than anywhere in the United States. Harvard became the self-proclaimed "Milk Center of the World!" In 1970, Harvard introduced the famous fiberglass cow, Harmilda, who was named from a combination of the festival's title - **HAR**vard **MIL**k **DA**ys.

Front Cover Photograph: Jutting out from the early morning fog is the Bauman family farm on South Union Road in Union. This farm has been owned and operated by the Bauman family covering five generations. It is currently being farmed by Ken Bauman (fourth generation), his wife Beth and their children (fifth generation). Helping out with the farming operations are Ken's father and mother, Ron (third generation) and Joyce Bauman, owners of the farm. Ron's father, Erhardt Bauman, acquired the farm in 1952 from his father, Herman Bauman, who bought the property in 1895 and began dairy farming. There are many similar farm families operating in McHenry County, where the tradition has been passed on generation after generation.

¹ From the McHenry County Local Food Assessment Executive Summary and Recommendations Task Force Report conducted by the Agricultural Easement and Farmland Protection Commission (ACE) in the fall of 2011.

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2014

Prepared by the County Auditor's Office:

Pamela Palmer, CFE, County Auditor

James Bernier, CPA, CPFO, Financial Reporting Manager/Chief Deputy Auditor

INTRODUCTORY

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County of McHenry, Illinois

OFFICERS AND OFFICIALS

November 30, 2014

COUNTY BOARD MEMBERS

Joseph Gottemoller, Chairman
Michele Aavang
Yvonne Barnes
Sue Draffkorn
Diane Evertsen
Andrew Gasser
John D. Hammerand
James L. Heisler
Tina Hill
John Jung, Jr.
Kenneth D. Koehler
Donald C. Kopsell

Donna Kurtz
Bob Martens
Mary T. McCann
Anna May Miller
Robert Nowak
Nick Provenzano
Michael Rein
Carolyn Schofield
Michael Skala
Larry W. Smith
Michael J. Walkup
Charles Wheeler

ELECTED OFFICIALS

Pamela Palmer
Katherine M. Keefe
Anne L. Majewski M.D.
Mary E. McClellan
Phyllis K. Walters
Bill Prim
Louis A. Bianchi
Leslie Schermerhorn
Glenda L. Miller

Auditor
Clerk of the Circuit Court
Coroner
County Clerk
Recorder
Sheriff
State's Attorney
Regional Superintendent of Schools
Treasurer

ADMINISTRATIVE

Peter Austin

County Administrator



**Letter
of
Transmittal**

PAMELA PALMER
COUNTY AUDITOR

JAMES BERNIER, CPA, CPFO
FINANCIAL REPORTING
MANAGER/
CHIEF DEPUTY AUDITOR

OFFICE OF
THE COUNTY AUDITOR

McHENRY COUNTY, ILLINOIS
2200 NORTH SEMINARY AVENUE
WOODSTOCK, ILLINOIS 60098

PHONE: 815 334-4204
FAX: 815 334-4621

May 8, 2015

To the Chairman of the Board,
County Board Members, and the
Citizens of McHenry County, Illinois:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2014, as prepared by the McHenry County Auditor's Office. Illinois State Statute, 55 ILCS 5/6-31003, requires the County to produce a complete set of audited financial statements for each fiscal year. This CAFR is provided to fulfill that requirement for the fiscal year 2014. The financial statements included in the CAFR conform with generally accepted accounting principles in the United States of America (GAAP), as established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the financial statements and information presented in this report. I believe that the data presented conforms to that responsibility and enables readers of the report to gain an understanding of McHenry County's operations. The financial statements included in the CAFR were audited by the independent certified public accounting firm of Baker Tilly Virchow Krause, LLP and received an unmodified opinion. See the Independent Auditors' Report on page I in the financial section.

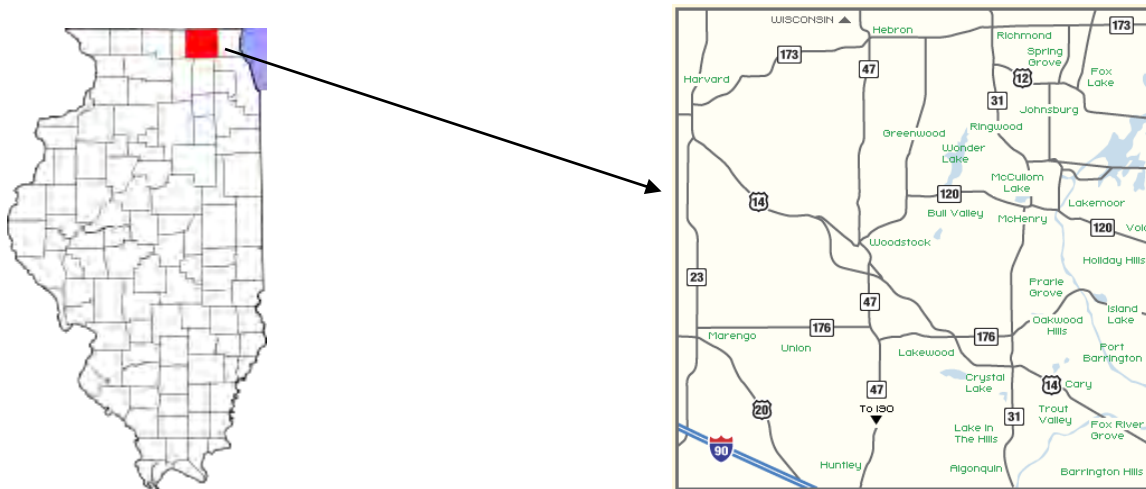
The Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designated to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This CAFR is intended to be used as a source of financial information and data for the citizens of the County, board members and other elected officials, investors, creditors, and other readers. The Auditor's Office can be contacted with any questions concerning the CAFR, which can also be viewed (along with prior year CAFRs) via the Auditor's webpage at <https://www.co.mchenry.il.us/county-government/departments-a-i/auditor/comprehensive-annual-financial-reports>.

The County Board is required by Illinois State Statute to adopt an operating budget before the start of a new fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The budget is maintained on an object code basis (personnel services, contractual, commodities, capital, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board.

The CAFR also reports the activities of two component units, the Public Building Commission and the McHenry County Conservation District. For a detailed description of the relationship these organizations have with the County that require them to be reported as component units, see Note 1 of the Notes to Financial Statements on page 17 of the financial section.

In accordance with GAAP, this CAFR includes Management's Discussion and Analysis (MD&A), which provides a narrative introduction and an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The remainder of this transmittal letter will provide an overview of the County's economic conditions and demographic information, financial planning and policies, along with major initiatives and accomplishments achieved during fiscal year 2014.

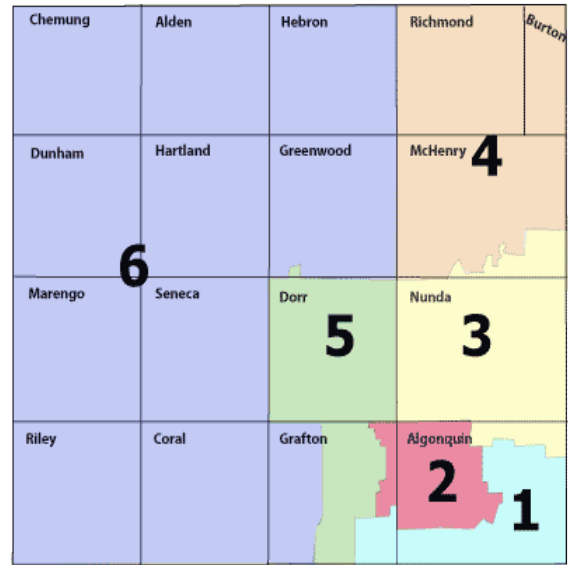
Profile and History of McHenry County, Illinois



McHenry County is located in the northeastern part of Illinois, and is adjacent to Walworth and Kenosha Counties in Wisconsin and the following counties in Illinois – Lake, Cook, Kane, DeKalb, and Boone. The County covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The 2014 estimated population by the U.S. Census Bureau is 307,283 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. The County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County (U.S. Highways 12, 14 and 20 and Illinois Routes 23, 31, 47, 62, 120, 173, and 176), making it accessible to areas in northern Illinois or southern Wisconsin. McHenry County government is based primarily out of Woodstock and County offices and the judicial facilities are located along Illinois Route 47. The Mental Health office and a joint Animal Control/Health facility are located in Crystal Lake. There are also several state agencies with local offices in Woodstock.

The early beginning of the County resulted from people who moved out from the Chicago area in search of land and farm sites. They petitioned the Illinois legislature in 1836 to form a new local county. The new area was named in honor after Colonel William McHenry, who commanded a regiment during the Black Hawk War. McHenry County was established on January 16, 1836 and was incorporated on June 1, 1837 by three residents, who were duly elected as the first Board of County Commissioners. A Sheriff, Coroner, Recorder, and Surveyor were also elected at that meeting. Another meeting was held on June 5, 1837 in which a Clerk, Secretary, and Treasurer were appointed. It was also ordered by the Court that Judges of Election be appointed in order to hold an election on June 10, 1837 for Justices of the Peace and Constables. These elections were held in the homes of the residents.

Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to split the area and to form a new county called Lake County. The original county seat was located in the village of McHenry. However, a more central location was desired and Centerville was named the county seat in 1844. Centerville was renamed to Woodstock in 1845 and remains to this day as the county seat. In December 1849, voters established a township system of government, in part to provide a better system for road taxation, due to the poor road systems in place. The introduction of railroads brought changes to the County as it enabled farmers the ability to ship their products to Chicago’s markets and provided transportation for commuting to city jobs. All of the changes made throughout the early years resulted in migration of residents who sought the rural lifestyle for raising their families while still having access to the city for their jobs. The result of this transformation was the growth and establishment of the towns, cities, and villages that exist today.



Oct 2011
Map of Townships and Districts

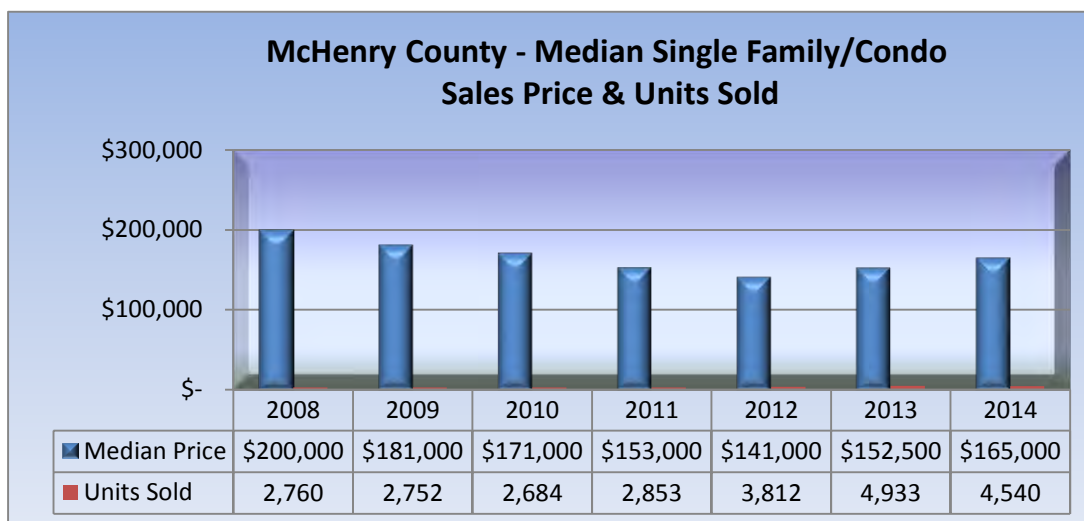
Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. Every two years, the County Board elects one of the members as Chairman of the County Board, along with a Vice-Chairman. There are also 9 other officials elected by the citizens of the county: Auditor, Circuit Clerk, Coroner, County Clerk, Recorder, Regional Superintendent of Schools, Sheriff, State’s Attorney, and Treasurer. The County Board appoints the departmental directors after conducting a search for the best candidates. A County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors. In the March 2014 Primary Election, voters approved a referendum making the County Board Chairman popularly elected to four-year terms starting in 2016.

The County provides a range of services for its citizens including law enforcement, construction and maintenance of roads and bridges, property assessment and tax collection, official records, elections, document recording, comprehensive planning and growth management, social service programs, judicial functions, health services, animal control services, emergency disaster and response planning, storm water management, environmental protection, groundwater protection, and the administrative functions to support all of these services.

Economic Condition of McHenry County, Illinois

Local Economy

McHenry County is continuing to see signs of a slow recovery from the national recession, which began in December 2007 and lasted until mid-2009. A weak housing market, foreclosure activity, lower retail sales, and unemployment hampered the local economy. Sales of single family homes and condos are highlighted in the following chart obtained from market reports by the Illinois Association of Realtors. A review of this residential home sales data before and during the recession is beginning to reflect an increase in the median price, even though there was a slight decrease in sales volume in 2014 as follows:



Source: Illinois Association of Realtors

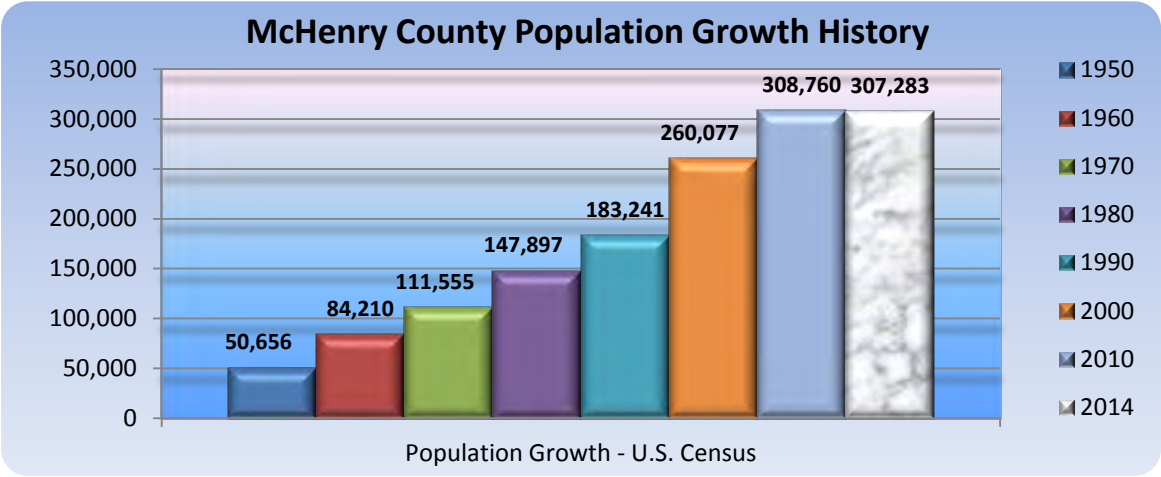
McHenry County is starting to see some recovery in the local economy. A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. This year the sales tax revenue surpassed the highest year experienced in FY2006 (\$9.6 million), with \$9.9 million in sales tax receipts for FY2014. The low point in sales tax revenue occurred in FY2009 when only \$7.9 million was received locally.

The median household income, as published by the U.S. Census Bureau, for McHenry County was \$75,713 for 2013, as compared to the State of Illinois' median household income of \$56,212. In comparison, the County's median household income was \$76,417 for 2012, with the State of Illinois at \$55,126. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 5.0% for families as of 2013, as compared to 10.8% for the State.

Population Growth

The U.S. Census Bureau's 2014 annual estimate of the County's population was 307,283, which continues to place McHenry County as the sixth largest county in Illinois out of a total of 102 counties and shows a net change of only 126 residents from the 2013 estimate of 307,409. The entire State of Illinois' population decreased by 9,972 residents, or less than 0.1%, since the 2013 census estimate. Statewide, eighty-five (85) of the counties experienced a population decrease of 21,767 residents, with seventeen (17) counties gaining 11,795 residents over the 2013 census estimate.

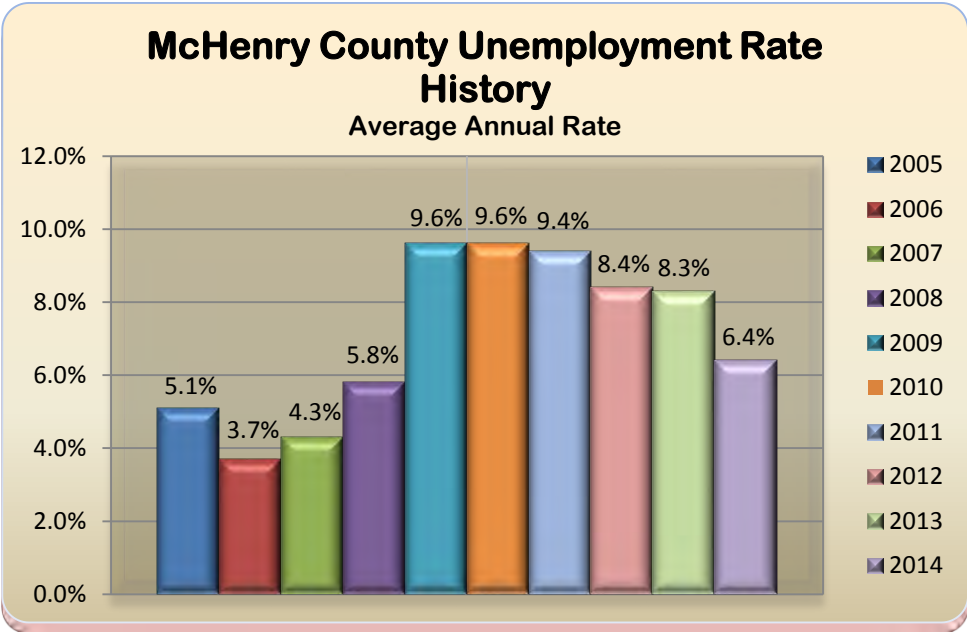
The following chart depicts the County’s population growth in 10 year intervals starting with 1950 and also includes the data for the current calendar year 2014:



The County’s population growth was significant in the 1990’s with an overall increase of 41.9% from 1990 to 2000, slowing down to 18.7% from 2000 to 2010, when the most recent decennial census was completed.

Unemployment

The County’s average unemployment rate was as follows for the past five years: 6.4% (2014), 8.3% (2013), 8.4% (2012), 9.4% (2011), and 9.6% (2010). For the State of Illinois, the average annual unemployment rates have been 7.1% (2014), 9.2% (2013), 8.9% (2012), 9.8% (2011), and 10.3% (2010). The U.S. unemployment rate for 2014 was 6.2%. In 2014, the total County annual average labor force was 166,668, consisting of 156,033 employed and 10,635 unemployed. The comparable statistics for 2013 relate to a slightly higher total labor force of 175,380 with 160,894 employed and a higher number, 14,486, of unemployed individuals. The information presented in this section is contained within reports issued by the Illinois Department of Employment Security. The chart below represents that average unemployment rate over the past ten years:



SOURCE: Illinois Department of Employment Security – LAUS Report

The McHenry County Workforce Investment Board and Workforce Network produced a report titled '2014 McHenry County Labor Report', which is available on their website at the following address: <https://www.co.mchenry.il.us/county-government/departments-j-z/workforce-investment-board/mchenry-county-labor-reports>. The report is filled with various demographic information, trends, workforce composition information, and an outlook for occupations and industry for 2014 – 2017. The report also notes that even with the positive news of the decrease in the unemployment rates since July 2009, factors such as the aging population, retirements, moving out of the area and dropping out of the work force will bring challenges to the local labor force availability. The Workforce Board and Network will meet these needs by developing strategies and plans to attract workers to McHenry County businesses and industries.

Long-term Financial Planning and Relevant Financial Policies

A key factor in the quality of the County's current financial position is prudent financial management. The County Board continues to address the weak revenue environment with corresponding controls on expenditures. A prime application that exemplifies the fiscal discipline the County strives to maintain is described in the following paragraph.

An important tool developed by the County's administration in 2002 is the financial model for the General Fund, which is used to assess the County's condition and to assist in making financial decisions. This model allows the County to manage the budget and conduct long-range planning based upon certain assumptions that are incorporated. County Administration created a Budget Task Force in 2012 to educate County Board members on the financial state as well as the budget process of the County. These efforts were precipitated in order to address concerns about the anticipated revenues that would be available for the next budget, as well as identifying the services to be provided and how they are to be financed. The County's formal policy requires that the general fund maintain an unrestricted (total of committed, assigned, and unassigned) fund balance equal to six months of budgeted operating expenditures. As of November 30, 2014, the County had an unrestricted general fund balance of \$44,781,499 as compared to \$92,176,578 in operating expenditures (FY 2015 budgeted), or a reserve of 5.8 months.

Budgetary Controls

McHenry County has operated on a "no growth" or maintenance budget for the past several years, which means that each department starts out with the same appropriated budget from the prior year. Supplemental requests from departments are received and reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee. These supplemental requests are ranked by priority based upon overall department needs and the importance. The purpose of the supplemental request in meeting the strategic and financial goals of the County is also considered and the final decision to fund the request is based upon the amount of supplemental funds available. The County's Financial Model (discussed in the paragraph above) is also used to determine the supplemental funds that are available.

Cash Management

McHenry County's Investment Policy contains cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of all County funds, and the County Auditor, who is responsible for the accounting of said funds. The specific objectives of the policy include: 1) the safety and preservation of the principal, 2) sufficient liquidity to meet the County's operating requirements, 3) maximization of interest income consistent with safety and liquidity, 4) diversification of account holdings in financial institutions with respect to the policy objectives of safety, liquidity, and income, 5) diversification of the types of depository and investments accounts with respect to the objectives of the policy, and 6) compliance with all applicable laws and regulations by which the Treasurer is bound.

Capital Plan

A five-year capital plan is prepared for building improvements and building construction projects, technology, vehicles, and equipment. These capital plans are made a part of the Financial Model in order to determine their impact on the fund balance.

Strategic Planning

A multi-year plan for 2013-2015 was established from a contract with the Northern Illinois University (NIU) Center for Governmental Studies and adopted by the County Board on July 2, 2013. During this strategic planning process, the McHenry County Board identified four key strategic issues: 1) Leadership and Governance; 2) Stable Environment; 3) Economic and Workforce Development; and 4) Quality Infrastructure. Each strategic issue has a set of goals, objectives, and action items that will provide guidance for the County department staff responsible for implementation of the plan, as well as a suggested timeline for completion. An update to the plan was presented in January 2015, along with planning for the next steps.

Major Initiatives

General and Administrative

- The County Auditor's Office was notified of the 16th consecutive year of receiving an award from the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Another report, the Popular Annual Financial Report (PAFR), received a sixth consecutive GFOA Award for Outstanding Achievement for the FY2013 report.
- The County has received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for its budget for FY2013. It was presented to McHenry County Administration, as this department is designated as being primarily responsible for the County having achieved the award. In order to receive the budget award, the County had to satisfy nationally recognized guidelines for effective budget presentation.
- After a year and a half of meetings to review the purchasing ordinance, final revisions were made and the newly revised Purchasing Ordinance was put into place on August 1, 2014.
- In May 2014, the County Board approved the implementation of the Wellness Strategic Plan, a three-year plan with the primary goal of establishing a culture of wellness. New employee health insurance plans, including high deductible and health savings account options, were also put into place. These changes were implemented in response to necessary adjustments due to the Affordable Care Act (ACA). Also related to the ACA is the McHenry County Department of Health's "Enroll McHenry County" initiative. For more information, see the [Public Health and Welfare](#) section on page xiv.

- Three elected officials, the County Clerk, Sheriff, and Treasurer, who all held office for a long-term period, retired at the end of the County fiscal year in November 2014. With the newly elected officials beginning in 2015, there is the opportunity for new ideas and changes to take place within these offices, as well as the County.
- The Board of Review heard a total of 4,308 taxpayer-generated assessment appeals for the Tax Year 2014. This was down significantly from the 7,108 assessment appeals from the Tax Year 2013. Tax Years 2012 and 2011 experienced assessment appeals of 10,413 and 8,893, respectively. Based upon the volumes of appeals filed, the Assessor's Office and the Board of Review have worked hard to process these appeals for the greatest of efficiency. The 2014 assessment year presented another year of an overall decrease in the assessment base.

Transportation

- The Division of Transportation (DOT) completed the Johnsborg Road Improvement Project in August 2014. The primary focus of the project consisted of the construction of a modern roundabout at the St. Johns Avenue/Chapel Hill Road intersection. Funding was mostly provided by federal grants to alleviate roadway congestion, improve safety, and provide street enhancements (sidewalks and lighting) with additional funding from McHenry County and the Village of Johnsborg.
- The completion of the Western Algonquin Bypass construction in August 2014, in cooperation with the Illinois Department of Transportation, now provides a transportation system improvement that addresses capacity, operational and safety deficiencies, and satisfies 2030 travel demands along the Illinois Route 31 corridor in southeastern McHenry County. The completed Bypass consists of a new four lane divided highway, diamond interchange, four new bridges, and retaining and noise walls. The widening and reconstruction of the final segment of road to be improved as part of the Bypass Project will create a continuous four lane section on IL Route 31 from IL Route 176 to south of Algonquin Road. Construction has an expected completion date of June 2015.

Community Development

- The 2014 Community Development Block Grant (CDBG) funding application hearings were held in April 2014. A total of approximately \$2.8 million was requested by all applicants after the presentations by the agencies applying for funding. In June 2014, the County Board approved allocations of approximately \$921,000 to nine different agencies and municipalities for use in various construction and service projects throughout the County.
- The Joint Planning & Development Committee -- Zoning Board of Appeals body completed their review process and on October 14th, 2014, the County Board adopted the Unified Development Ordinance (UDO). The UDO combines zoning and subdivision regulations, as well as other County ordinances, such as the sign regulations, into a single ordinance. The UDO is the "rule book" for land development and building within the County. View more on the UDO at: <https://www.co.mchenry.il.us/county-government/departments-j-z/planning-development/divisions/planning-zoning-land-use-division/unified-development-ordinance>

Public Safety

- In an effort to increase the level of readiness and be better prepared for severe weather emergencies, the McHenry County Emergency Management Agency (EMA) worked closely with the National Weather Service in Chicago to meet national standards of the StormReady program to achieve StormReady County designation for McHenry County. McHenry County is one of only 24 Counties in Illinois to receive the designation. This is a tribute to the County's EMA and the work they put into this to be prepared for a natural disaster.

- The McHenry County Sheriff's office was awarded reaccreditation through the Commission on Accreditation of Law Enforcement Agencies (CALEA) in July 2014. This is the first reaccreditation for the Sheriff's office after being awarded initial accreditation in 2011. The period of accreditation is three years. During this time, the department must submit and maintain annual reports that document continuing compliance with applicable standards.

Judiciary and Court Related

- The Public Defender and States Attorney worked with the 22nd Judicial Circuit to produce incredible results with the Domestic Violence Court. The Court celebrated its first anniversary in April 2014 and the initial outcomes have considerably reduced the number of pending domestic violence cases. Along with the First Offender Program and the 22nd Circuit Drug Court, these programs were designed to promote offender accountability, reduce unnecessary delay, and maintain lower recidivism rates.
- 2014 marked the 50th anniversary of the Circuit Clerk and Recorder of Deeds splitting into their own separate offices. Prior to 1964, there were numerous lower level courts in Illinois. Effective January 1, 1964, not only did the Article of 1964 create the Circuit, it also created the Office of the Circuit Clerk. The Court and Circuit Clerk's Office celebrated this occasion with a reception on November 20th.
- The Circuit Clerk's office launched Electronic Sentencing Orders on November 13, 2014. The Electronic Sentencing Order software works in conjunction with the Circuit Clerk's case management software to quickly generate a Sentencing Order in the courtrooms. This software will increase accuracy and provide better customer service to the users of the court system.

Public Health and Welfare

- The Senior Service Grant Commission met in September of 2014 to review applications and requests for proposals for the FY2015 program year. The County Board approved the allocations for thirteen different programs by ten agencies for a total of \$1,729,020, to be distributed during FY2015. The Senior Services Grant Fund is the result of a referendum in April 2003, where voters approved the levy and collection of a tax not to exceed .025% for the purpose of providing transportation and social services to encourage independent living, wellness, and quality of life for senior citizens in McHenry County.
- The McHenry County Workforce Network is engaged in the development of a Community Economic Development Strategy document (CEDS) with a number of partners, including McHenry County Planning & Development, McHenry County Economic Development Corporation, McHenry County College and the Illinois Small Business Development Center. A CEDS document would provide a common direction and voice within the County for the economic partners and is required for many federal grant applications.
- The Regional Office of Education (ROE) was granted a 5-year, \$625,000 Drug Free Communities (DFC) grant from the U.S. Department of Health and Human Services, beginning in September 2013, for substance abuse awareness and prevention throughout the County. These funds will be used to support the Substance Abuse Coalition for a coordinated effort to reduce and prevent substance abuse in youth ages 12 to 18. McHenry County was one of only five recipients in Illinois to be awarded this grant.
- As a result of the many informational presentations scheduled on insurance options through the Affordable Care Act (ACA), "Enroll McHenry" provided 5,700 one-on-one consumer assistance sessions and helped 2,668 residents apply for Marketplace or Medicaid coverage during the first half of FY2014. The "Enroll McHenry County" program through the McHenry County Department of Health (MCDH) was enabled by a \$500,000 one year federal grant provided through the Illinois Department of Public Health by the U.S. Department of Health and Human Services in October 2013. The program allowed the MCDH to award six County organizations grants to conduct outreach, education, and enrollment as part of the Illinois Health Insurance Marketplace.

Debt Management

The County's Debt Issuance policy provides for guidelines and procedures to be used in the issuance and management of McHenry County's debt instruments, as well as an understanding of the tasks, duties, and responsibilities of the participants. Included in the policy are how requests are handled, the development of the Five Year Capital Improvement Plan annually, the selection of consultants, counsel and underwriters, and arbitration.

In fiscal year 2014, there was one debt issuance for governmental activities - one new capital lease in the amount of \$375,533, for the acquisition of computer equipment. There were no debt issuances for business-type activities during fiscal year 2014. Further information on the County's outstanding debt can be found in the MD &A section and the Notes to Financial Statements.

Credit Rating

As of 2014, McHenry County continues to hold the Aaa rating that was affirmed in April 2012 by Moody's Investor Service when the issuance of \$5.6 million in Refunding Debt Certificates took place. This is the highest rating available and puts the County in the top tier of local governments in terms of financial strength in both Illinois and nationally. Historically, the first bond rating by Moody's was in 2002 with an Aa3, followed by an upgrade to Aa2 in 2003. In September 2006, the rating was adjusted to Aa2+, again upgraded to an Aa1 in June 2007 and in April 2010 was given the highest rating of Aaa. This attained rating will allow the County to issue debt at the lowest possible interest rate.

McHenry County 2040 Transportation Plan

The *McHenry County 2040 Transportation Plan* (The Plan) is intended to identify the County's future transportation needs and how to best address them. The Plan establishes a vision for McHenry County roadways as well as a set of actionable goals and objectives that serve as a road map to realizing that vision. In March 2014, after the Plan was endorsed by the Transportation Committee, the plan was presented to the County Board and was approved by resolution. This is the County's third long range transportation plan. The Plan was funded with grant monies from the Chicago Metropolitan Agency for Planning and the Regional Transportation Authority. To learn more about the Plan, go to: <https://www.co.mchenry.il.us/county-government/departments-j-z/transportation/transportation-plans/long-range-transportation-plan>.

Legislative Programs

The McHenry County Board has adopted a Federal Legislative Program for Federal Fiscal Year 2014. The major points of the program includes seeking the following: 1) Funds for stormwater management to complete comprehensive watershed and flood mitigation plans for the Lower Nippersink Creek Watershed and the Upper Fox River Watershed; 2) Funding to replace public safety equipment that has exceeded its life expectancy; 3) Funding to address inadequate intersection geometrics, safety concerns, and operational issues on Route 31 between IL 176 in Crystal Lake to IL 120 in McHenry; 4) Additional funding to add capacity to Route 47, from Reed Road to Route 14, reduce traffic congestion on Route 47 through the City of Woodstock, and improve bicycle and pedestrian crossings and business access; 5) Reauthorization of the Workforce Investment Act (WIA) which would assure some stability in providing for the best interests of both McHenry County businesses and job seekers; and 6) To insure a full continuum of services is available, especially our local behavioral health services, due to the redesign of our health system as required by the Affordable Care Act (ACA).

In addition, the County adopted a 2014 State Legislative Program which contained the following initiatives: 1) Binding contracts beyond County Board terms; 2) IDNR fee for studies of endangered species; 3) Property tax fairness; 4) Statewide ban on coal tar; 5) High capacity water wells; 6) Wireless surcharge sunset for E-911; 7) Funding for agricultural conservation; 8) Transfer of development rights; 9) Equal the playing field for local governments in arbitration; 10) Product stewardship; 11) Non-dedicated subdivision roads; 12) Regional Transit Authority (RTA) reform; 13) Managed care vs. RUGS based reimbursement; 14) Prevailing wage act; and 15) McHenry County transportation projects. In addition, policy concerns were documented in several areas, including but not limited to: stormwater regulations, local government revenues, funding for social services, and workers compensation reform.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McHenry County for its CAFR for the fiscal year ended November 30, 2013. This was the 16th consecutive year that the county has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The GFOA award is valid for a period of one year. I believe that our Fiscal Year 2014 CAFR continues to meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for another certificate award.

The preparation of this report would not have been possible without the professionalism and dedicated work of the entire Auditor's Office staff. I also wish to thank Financial Reporting Manager James Bernier, who works diligently and efficiently on all year-end financial reports and related accounting procedures to ensure accuracy, as well as managing the accounting process during the fiscal year. I extend my appreciation to all of the elected officials and department directors, who along with their staff, cooperate in the gathering of information contained within this report. The valuable support and external audit work from our independent auditors, Baker Tilly Virchow Krause, LLP, is also to be noted.

Sincerely,

Pamela Palmer

Pamela Palmer

McHenry County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

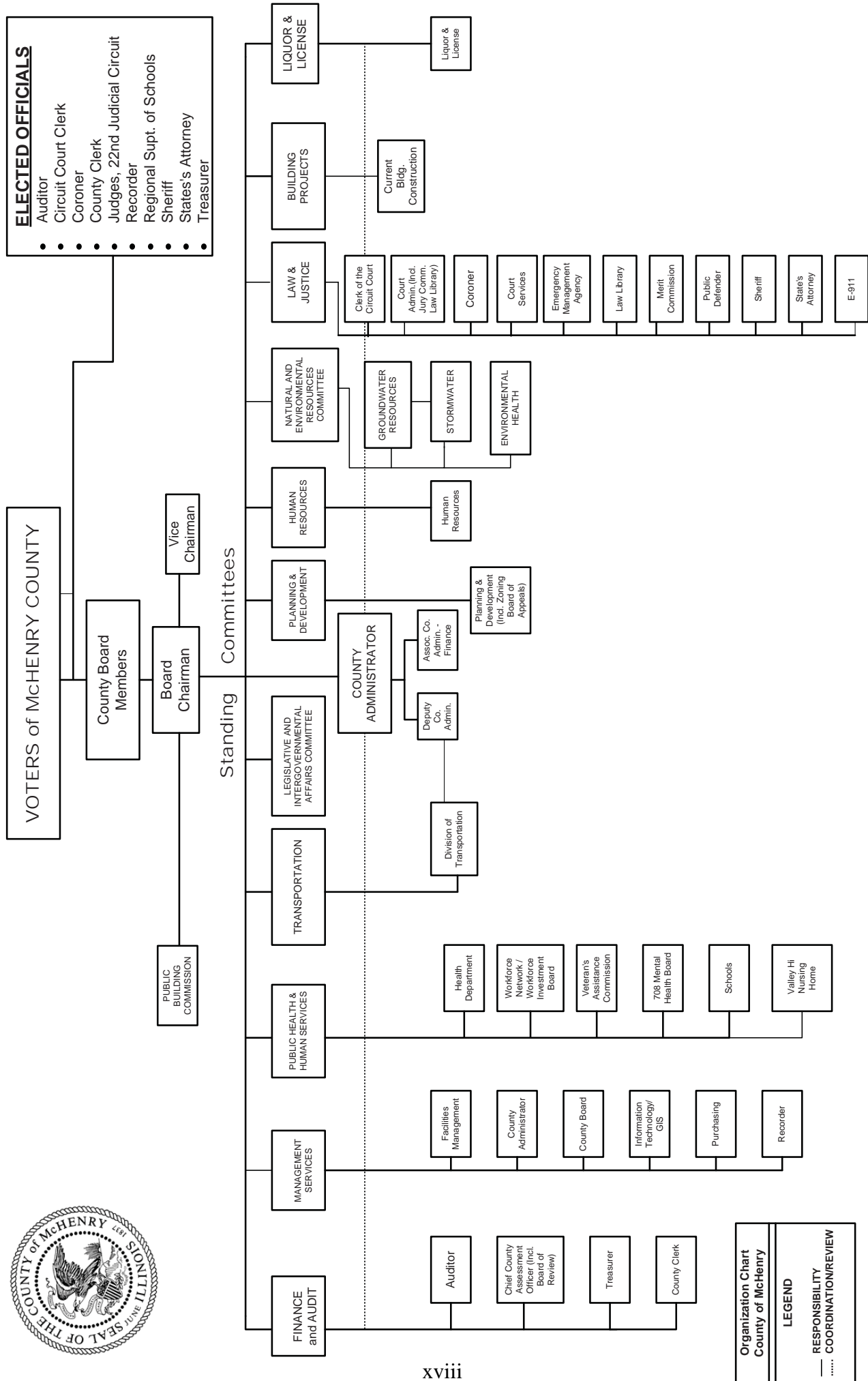
Presented to

**County of McHenry
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

November 30, 2013

Executive Director/CEO



FINANCIAL

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of the County Board
County of McHenry, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the County of McHenry, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Building Commission's Special Revenue Fund (Blended Component Unit) which represents .03 percent, .04 percent and .00 percent, respectively, of the assets, fund balances, and revenues of the other governmental funds and .01 percent, .01 percent, and .00 percent respectively, of the assets, net position, and revenues of the governmental activities. We also did not audit the financial statements of the Conservation District (Discretely Presented Component Unit), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Building Commission's Special Revenue Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit), is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Public Building Commission's Special Revenue Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit) were not audited in accordance with *Government Auditing Standards*.

To the Honorable Chair and Members of the County Board
County of McHenry, Illinois

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of McHenry, Illinois' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of McHenry, Illinois' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois as of November 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules of funding progress, and related notes, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Chair and Members of the County Board
County of McHenry, Illinois

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The combining and individual fund financial statements and the schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The "Introductory Section" and "Statistical Section" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the County of McHenry, Illinois' 2013 financial statements, and we and other auditors expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated May 9, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the County of McHenry, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of McHenry, Illinois' internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
May 8, 2015



**Management's
Discussion and
Analysis**

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

This section of the County of McHenry, Illinois' (the "County") comprehensive annual financial report presents management's discussion and analysis (MD&A) of the financial activities of the County during the fiscal year ended November 30, 2014. Please read it in conjunction with the Transmittal Letter, located at the front of this report, and the basic financial statements, including the accompanying notes to financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets of the County exceeded its liabilities and deferred inflows of resources by \$468.1 million, as of November 30, 2014. Of this amount, \$284.7 million represents net investment in capital assets, \$107.4 million represents net position restricted for specific activities, and \$76.0 million represents unrestricted net position. \$410.4 million represents net position for governmental activities and \$57.7 million represents net position for business-type activities.
- Net position increased by \$12.1 million for governmental activities and increased by \$4.4 million for business-type activities, for the fiscal year ended November 30, 2014.
- The County's governmental funds reported combined ending fund balances of \$153.4 million, as of November 30, 2014, compared to \$156.5 million at November 30, 2013, which represents a decrease of \$3.1 million or 2.0%.
- The General Fund reported ending fund balance of \$48.7 million, as of November 30, 2014, compared to \$51.9 million as of November 30, 2013, which represents a decrease of \$3.2 million or 6.2%.
- Governmental activities long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$37.9 million, as of November 30, 2014, compared to \$47.6 million as of November 30, 2013, which represents a net decrease of \$9.7 million or 20.4%. During the year, one new capital lease was issued for \$375,533 for the purchase of computer equipment. Business-type activities long-term obligations (excluding compensated absences and other post-employment benefit obligation) totaled \$15,460 as of November 30, 2014, compared to \$29,934 as of November 30, 2013. There were no issuances for business-type activities during fiscal year 2014.
- The County is \$187.6 million below its authorized debt limit as of November 30, 2014.

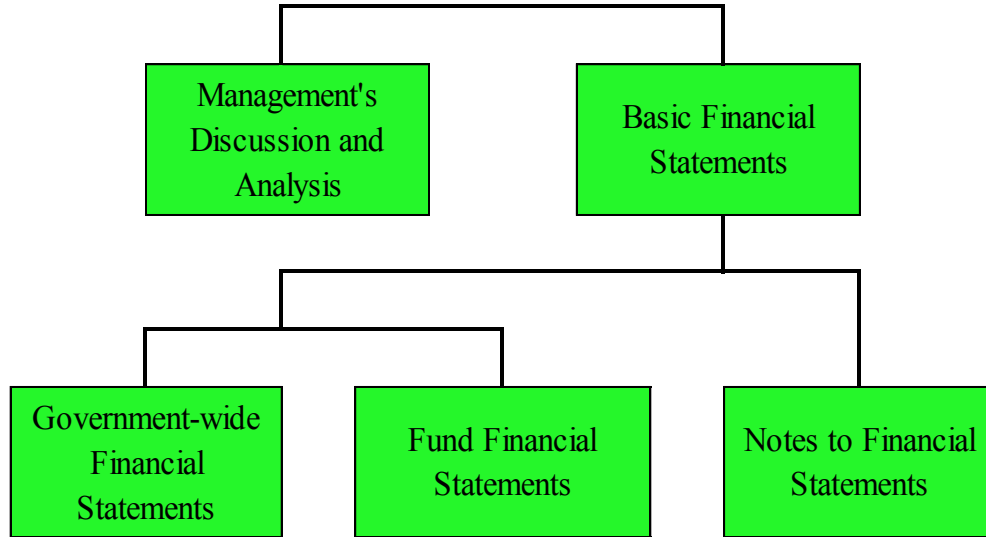
OVERVIEW OF THE FINANCIAL STATEMENTS

This section of MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements (see diagram on following page). The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements.

In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial position of the County.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Required Components of the Comprehensive Annual Financial Report



Basic Financial Statements (BFS)

The **BFS** include two kinds of statements and notes that present different perspectives of the County's financial activities.

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's overall financial position, in a manner similar to a private-sector business.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide financial statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes to Financial Statements**. The notes to financial statements include a summary of the County's significant accounting policies, as well as additional details on various items contained in the financial statements.

After the notes are the following sections: **Required supplementary information** contains the budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans and other post-employment benefits. **Supplementary information** is provided to show details about the County's individual non-major governmental funds, which are aggregated in a single column on the basic financial statements, and to show details about individual proprietary funds and fiduciary funds. Budgetary information required by State Statutes also can be found in this part of the comprehensive annual financial report. The **Statistical Section** presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Government-wide Financial Statements (GWFS)

The GWFS are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The GWFS contains the *statement of net position* and the *statement of activities*, described below:

The *Statement of Net Position* presents information using the accrual basis of accounting, on all of the County's assets, liabilities, and deferred inflows/outflows of resources (including capital assets and short-term and long-term liabilities), with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the County's functions/programs (hereafter referred to as activities). Direct expenses are those that are specifically associated with an activity and are clearly identified with that activity. Program revenues are from charges for services paid by recipients or operating/capital grants and contributions. The comparison of direct expenses with program revenues identifies the extent to which each activity is self-financing or draws from the general revenues of the County. General revenues include property taxes, sales taxes, state income taxes, tax transfer stamps, other taxes, and investment income. The governmental activities of the County include general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare. The business-type activities of the County include the Valley Hi Nursing Home (public health and welfare) and the Emergency Telephone 911 operation (public safety). The government-wide financial statements also include two component units, which are legally separate organizations for which the County is financially accountable – the Public Building Commission (a blended component unit) and the McHenry County Conservation District (a discretely presented component unit). Financial information for the discretely presented component unit is reported separately from the primary government.

The GWFS can be found on pages 1 - 4 of this report.

Fund Financial Statements (FFS)

A fund is a fiscal and accounting entity that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental FFS are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds are reported using the modified accrual basis of accounting, which has a measurement focus of current financial resources. As a result, the governmental fund financial statements give a detailed short-term view to assist the reader in determining if there are more or less financial resources available to finance the County's programs. The difference between assets, liabilities, and deferred inflows/outflows of resources in governmental funds is reported as fund balance, which is presented in categories that describe the nature and extent of constraints on the use of resources that the County is bound to observe. The relationship between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for funds that are considered to be major funds. Governmental funds considered to be major for fiscal year 2014 are the General Fund, the County Mental Health Fund, and the Illinois Municipal Retirement Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The governmental FFS can be found on pages 5 - 8 of this report.

Proprietary FFS The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Valley Hi nursing home and for the Emergency Telephone 911 system operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses one internal service fund to account for employee and retiree healthcare benefits. Services are allocated to governmental activities and business-type activities on the government-wide financial statements based upon the actual level of services provided to these activities.

Proprietary FFS provide more detailed information than the business-type activities on the government-wide financial statements. The proprietary fund financial statements provide separate information for enterprise funds that are considered to be major funds. The Enterprise fund considered to be major for fiscal year 2014 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be nonmajor. Conversely, when multiple internal service funds are used, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary FFS can be found on pages 9 - 13 of this report.

Fiduciary FFS Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary FFS can be found on page 14 of this report.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS.

The notes to the financial statements can be found on pages 15 - 56 of this report.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Other information

The County adopts an annual appropriation budget for its general, special revenue, debt service, capital projects and permanent funds. Budgets are adopted on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules are presented using the same format, language, and classifications as the legal budget document.

The budgetary comparison schedules present four columns: 1) the original budget as adopted by the County Board; 2) the final budget as amended by the County Board; 3) the actual resources, charges to appropriations, and ending balances; and 4) the variance between the final budget and the actual resources and charges.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI), which consists of budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans and other post-employment benefits. Following the RSI is the supplementary information section, which includes the combining statements, individual fund schedules, and budgetary comparison schedules for non-major governmental funds, as well as various statements and schedules for proprietary funds and fiduciary funds.

The RSI and supplementary information section can be found on pages 57 - 149 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. Total assets of the County exceeded its liabilities and deferred inflows of resources by \$468.1 million, as of November 30, 2014, as compared to net position of \$451.6 million as of November 30, 2013; an increase of \$16.5 million or 3.7%. Of this amount, \$284.7 million represents net investment in capital assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. \$107.4 million represents restricted net position, which are resources that are subject to external restrictions on how they may be used. Finally, \$76.0 million represents unrestricted net position. \$410.4 million represents net position for governmental activities and \$57.7 million represents net position for business-type activities.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

The following table reflects the condensed Statement of Net Position as of November 30, 2014:

Statement of Net Position
November 30, 2014

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Assets						
Current assets	\$ 252,036,907	\$ 256,556,272	\$ 48,211,220	\$ 44,595,767	\$ 300,248,127	\$ 301,152,039
Capital assets	<u>301,028,440</u>	<u>294,617,346</u>	<u>13,819,471</u>	<u>14,503,788</u>	<u>314,847,911</u>	<u>309,121,134</u>
Total assets	<u>553,065,347</u>	<u>551,173,618</u>	<u>62,030,691</u>	<u>59,099,555</u>	<u>615,096,038</u>	<u>610,273,173</u>
Liabilities						
Current liabilities	25,688,537	28,596,284	926,321	889,718	26,614,858	29,486,002
Noncurrent liabilities	<u>40,455,281</u>	<u>50,025,208</u>	<u>425,346</u>	<u>389,085</u>	<u>40,880,627</u>	<u>50,414,293</u>
Total liabilities	<u>66,143,818</u>	<u>78,621,492</u>	<u>1,351,667</u>	<u>1,278,803</u>	<u>67,495,485</u>	<u>79,900,295</u>
Deferred Inflows of Resources						
Property taxes levied for future period	<u>76,486,825</u>	<u>74,266,525</u>	<u>3,000,000</u>	<u>4,500,000</u>	<u>79,486,825</u>	<u>78,766,525</u>
Net Position						
Net investment in capital assets	270,863,664	254,679,031	13,804,011	14,473,854	284,667,675	269,152,885
Restricted	107,428,692	109,592,257	-	-	107,428,692	109,592,257
Unrestricted	<u>32,142,348</u>	<u>34,014,313</u>	<u>43,875,013</u>	<u>38,846,898</u>	<u>76,017,361</u>	<u>72,861,211</u>
Total net position	<u>\$ 410,434,704</u>	<u>\$ 398,285,601</u>	<u>\$ 57,679,024</u>	<u>\$ 53,320,752</u>	<u>\$ 468,113,728</u>	<u>\$ 451,606,353</u>

For more detailed information on the County's net position, please refer to the Statement of Net Position, found on pages 1 - 2.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2014:

Changes in Net Position
For the Fiscal Year Ended November 30, 2014

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for services	\$ 24,806,782	\$ 26,086,540	\$ 13,256,191	\$ 12,738,582	\$ 38,062,973	\$ 38,825,122
Operating grants and contributions	19,319,310	21,636,743	-	-	19,319,310	21,636,743
Capital grants and contributions	2,882,321	1,588,971	-	-	2,882,321	1,588,971
General Revenues						
Property taxes	74,017,467	73,113,284	4,493,330	5,237,688	78,510,797	78,350,972
Sales taxes	19,577,205	18,718,620	-	-	19,577,205	18,718,620
State income taxes	6,265,092	6,234,765	-	-	6,265,092	6,234,765
Tax transfer stamps	1,833,392	1,896,811	-	-	1,833,392	1,896,811
Other taxes	2,283,433	2,005,449	-	-	2,283,433	2,005,449
Investment income	263,632	275,817	68,095	70,630	331,727	346,447
Miscellaneous	457,065	404,762	-	-	457,065	404,762
Gain on sale of capital assets	91,722	26,164	-	-	91,722	26,164
Total Revenues	151,797,421	151,987,926	17,817,616	18,046,900	169,615,037	170,034,826
Expenses						
General and administrative	34,302,304	36,716,979	-	-	34,302,304	36,716,979
Community development	3,719,430	4,031,197	-	-	3,719,430	4,031,197
Transportation	21,339,490	19,462,103	-	-	21,339,490	19,462,103
Public safety	40,980,612	40,757,655	2,660,194	2,666,421	43,640,806	43,424,076
Judiciary and court related	14,255,999	14,081,733	-	-	14,255,999	14,081,733
Public health and welfare	23,516,262	24,957,498	10,799,150	10,449,731	34,315,412	35,407,229
Interest and fiscal charges	1,534,221	1,901,744	-	-	1,534,221	1,901,744
Total expenses	139,648,318	141,908,909	13,459,344	13,116,152	153,107,662	155,025,061
Changes in net position	12,149,103	10,079,017	4,358,272	4,930,748	16,507,375	15,009,765
Net position - beginning of year	398,285,601	388,206,584	53,320,752	48,390,004	451,606,353	436,596,588
Net position - end of year	<u>\$ 410,434,704</u>	<u>\$ 398,285,601</u>	<u>\$ 57,679,024</u>	<u>\$ 53,320,752</u>	<u>\$ 468,113,728</u>	<u>\$ 451,606,353</u>

For more detailed information on the operations of governmental and business-type activities, please refer to the Statement of Activities, found on pages 3 - 4.

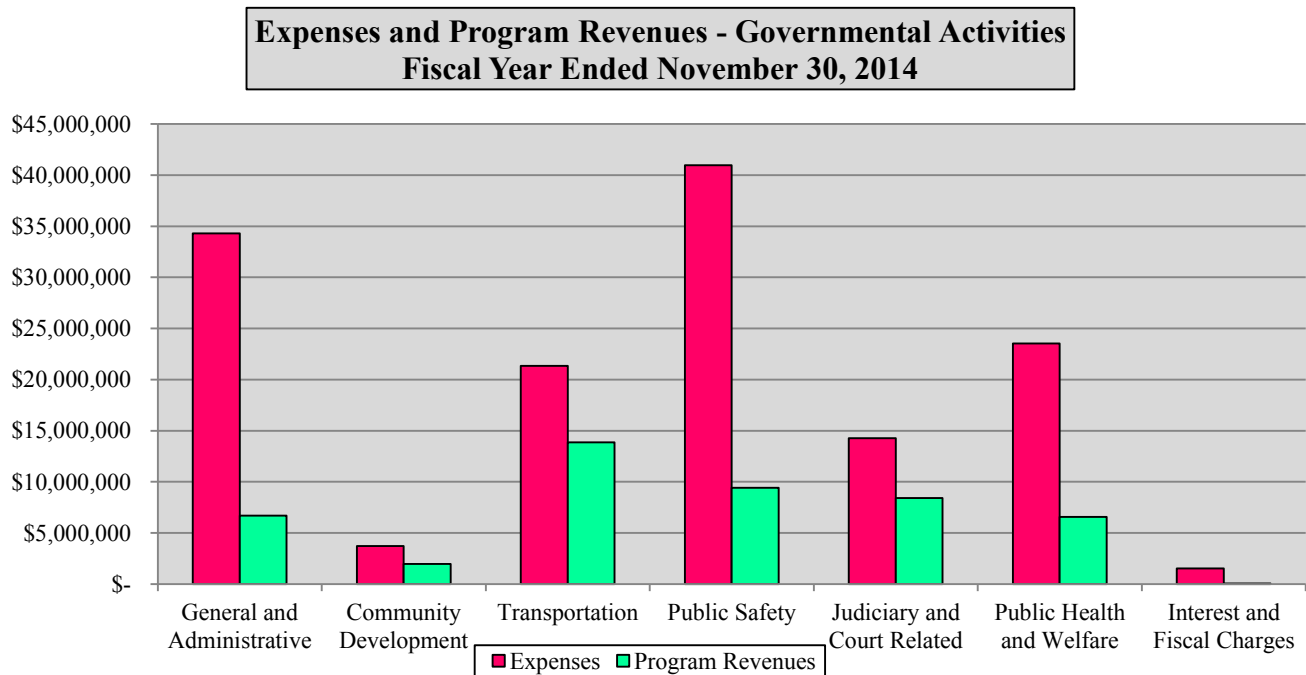
County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Governmental Activities

Net position for governmental activities increased by \$12.1 million during fiscal year 2014. In total, revenues decreased \$0.2 million or 0.1%, from \$152.0 million for fiscal year 2013 to \$151.8 million for fiscal year 2014. Noteworthy changes related to revenues were as follows: 1) Charges for services decreased by \$1.3 million or 5.0%, 2) Operating grants and contributions decreased by \$2.3 million or 10.6%, and 3) Capital grants and contributions increased by \$1.3 million or 81.3%. The reasons for these noteworthy changes are as follows:

- Charges for services decreased from \$26.1 million for fiscal year 2013 to \$24.8 million for fiscal year 2014; a decrease of \$1.3 million or 5.0%. Under the charges for services category, one item was responsible for most of the overall decrease in the category. Jail space rental decreased from \$8.1 million for fiscal year 2013 to \$7.0 million for fiscal year 2014; a decrease of \$1.1 million or 13.6%. Actual revenues decreased because the US Marshals, the second largest participant in the jail space rental program, ceased participating in April 2014. The US Immigration and Customs Enforcement, the largest participant, continues to house inmates in the County jail.
- Operating grants and contributions decreased from \$21.6 million for fiscal year 2013 to \$19.3 million for fiscal year 2014; a decrease of \$2.3 million or 10.6%. The decrease in this category is due to an overall reduction in the availability of grant funding at both the federal and state levels.
- Capital grants and contributions increased from \$1.6 million for fiscal year 2013 to \$2.9 million for fiscal year 2014; an increase of \$1.3 million or 81.3%. The increase in this category is mostly due to a developer donation in the amount of \$0.9 million for new access and turn lanes on Harmony Road.

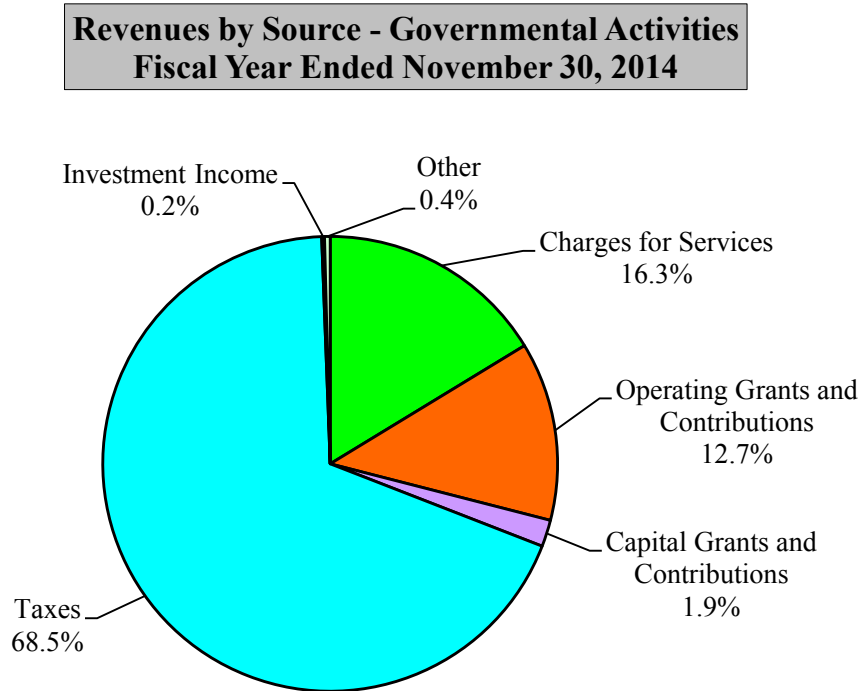
The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2014:



See analysis of governmental activities expenses on page XIII.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2014:



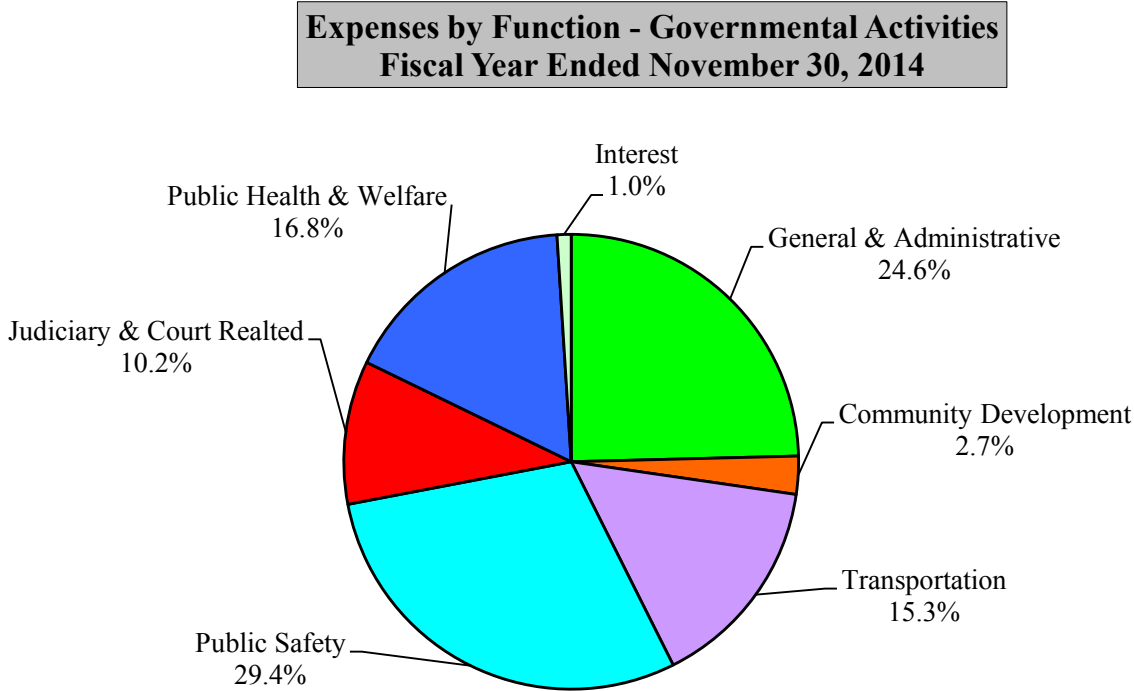
Revenues from governmental activities totaled \$151.8 million for the fiscal year ended November 30, 2014. Taxes (\$104.0 million, or 68.5%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$74.0 million or 71.2% of taxes and sales taxes totaled \$19.6 million or 18.8% of taxes, for a combined total of \$93.6 million or 90.0% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

Charges for services (\$24.8 million, or 16.3%) represents the second largest revenue source. Charges for services are derived mainly from recording fees, penalties on delinquent taxes, court security fees, jail space rental, Circuit Clerk fees, sale of animal control tags, geographic information system fees, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Operating grants and contributions (\$19.3 million, or 12.7%) represents the third largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Mental Health Department, Workforce Network, Planning and Development, Facilities Management, and the Sheriff's Office. In addition, the Motor Fuel Tax Fund and County Option Motor Fuel Tax Fund receive fees imposed on gasoline purchases to be used for highway maintenance and improvements.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2014:



Expenses for governmental activities totaled \$139.6 million for the fiscal year ended November 30, 2014. The largest component of governmental activities expenses is public safety, which totaled \$41.0 million, or 29.4% of total governmental activities expenses. Expenses in this category include the operations of the Sheriff, Coroner, and Emergency Management offices. The Sheriff's Office represents the largest component of public safety and activities performed include patrol, detectives, narcotics, County jail, and County garage.

The second largest component of governmental activities expenses is general and administrative, which totaled \$34.3 million, or 24.6% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$23.5 million, or 16.8% of total governmental activities expenses. The Health Department and the Mental Health Department represent the largest components of the public health and welfare activity. Also included in this activity are the operations of Workforce Network and Veteran's Assistance.

The fourth largest component of governmental activities expenses is transportation, which totaled \$21.3 million, or 15.3% of total governmental activities expenses. All transportation expenses represent the operations of the Division of Transportation.

The fifth largest component of governmental activities expenses is judiciary and court related, which totaled \$14.3 million, or 10.2% of total governmental activities expenses. Expenses for this activity include the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

The sixth largest component of governmental activities expenses is community development, which totaled \$3.7 million, or 2.7% of total governmental activities expenses. All community development expenses represent the operations of the Planning and Development Department.

The smallest component of governmental activities expenses is interest, which totaled \$1.5 million, or 1.0% of total governmental activities expenses. Interest represents payments on long-term obligations, including debt certificates and capital leases. See page XVIII for further discussion of long-term obligations.

Business-type Activities

For the fiscal year ended November 30, 2014, net position for business-type activities increased by \$4.4 million, from \$53.3 million at November 30, 2013 to \$57.7 million at November 30, 2014. Total revenues for business-type activities decreased from \$18.0 million for fiscal year 2013 to \$17.8 million for fiscal year 2014; a decrease of \$0.2 million or 1.1%. The decrease in total revenue is primarily due to a decrease in the property tax levy for the Valley Hi nursing home, which decreased from \$5.3 million for fiscal year 2013 to \$4.5 million for fiscal year 2014, a decrease of \$0.8 million or 15.1%. The property tax levy was reduced because of the level of cash reserves in the Valley Hi Fund.

Total expenses for business-type activities increased from \$13.1 million for fiscal year 2013 to \$13.5 million for fiscal year 2014; an increase of \$0.4 million or 3.1%. The consistent level of expenses from fiscal year 2013 to fiscal year 2014 reflects a lack of significant changes, capital projects, or other activities that may otherwise cause a noteworthy increase or decrease in total expenses.

For more detailed information, please refer to the Statement of Activities on pages 3 – 4.

MAJOR FUNDS FINANCIAL ANALYSIS

Governmental Funds

The General Fund is the primary operating fund of the County. The fund experienced a decrease in fund balance of \$3.2 million for fiscal year 2014. The decrease in fund balance was consistent with the County's intention to bring the level of unrestricted fund balance in the General Fund in alignment with the target reserve of six months, as defined in the County's budget policy. The level of unrestricted fund balance in the General Fund decreased from 6.8 months at November 30, 2013 to 5.8 months at November 30, 2014.

Total revenues increased \$1.0 million or 1.2%, from \$82.7 million for fiscal year 2013 to \$83.7 million for fiscal year 2014. The revenue category that experienced the largest decrease was charges for services, which decreased from \$19.4 million for fiscal year 2013 to \$17.6 million for fiscal year 2014; a decrease of \$1.8 million or 9.3%. Under the charges for services category, one item was responsible for a majority of the overall decrease in the category. Jail space rental decreased from \$8.1 million for fiscal year 2013 to \$7.0 million for fiscal year 2014; a decrease of \$1.1 million or 13.6%. Actual revenues decreased because the US Marshals, the second largest participant in the jail space rental program, ceased participating in April 2014. The US Immigration and Customs Enforcement, the largest participant, continues to house inmates in the County jail. The revenue category that experienced the largest increase is property taxes, which increased \$1.0 million or 2.6%, from \$37.8 million for fiscal year 2013 to \$38.8 million for fiscal year 2014. The increase in property taxes is due to an increase in the amount of the County's property tax levy. The general fund property tax levy increased from \$37.9 million for fiscal year 2013 to \$38.8 million for fiscal year 2014, an increase of \$0.9 million or 2.4%. A small portion of property tax revenue represents collections from prior year levies, but most collections are for the current year levy. In fiscal year 2014, the County experienced a collection rate of 99.9% of the current year levy.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Total General Fund expenditures increased \$2.9 million or 3.6%, from \$80.0 million for fiscal year 2013 to \$82.9 million for fiscal year 2014. The expenditure category with the largest increase was capital outlay, which increased from \$1.9 million for fiscal year 2013 to \$3.4 million for fiscal year 2014; an increase of \$1.5 million or 78.9%. The increase in capital outlay is due to a few significant expenditures in 2014, including the purchase of the Workforce Network facility on Russel Court for \$1.0 million and building improvements at the government center for \$1.0 million. See the budgetary variances section below for more information on the general fund.

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an increase in fund balance of \$1.2 million for fiscal year 2014. Total revenues decreased \$1.3 million or 10.6%, from \$12.3 million for fiscal year 2013 to \$11.0 million for fiscal year 2014. The decrease in revenues is due to a decrease in the amount of the County's mental health property tax levy, which decreased from \$11.9 million for fiscal year 2013 to \$10.9 million for fiscal year 2014, a decrease of \$1.0 million or 8.4%. Total expenditures decreased \$1.4 million or 13.1%, from \$10.7 million for fiscal year 2013 to \$9.3 million for fiscal year 2014. The decrease in expenditures is due to a reduction in personnel services, which decreased from \$2.0 million for fiscal year 2013 to \$1.0 million for fiscal year 2014; a decrease of \$1.0 million or 50.0%. The number of full-time equivalent employees decreased from 50 at the beginning of fiscal year 2013 to 13 by the end of fiscal year 2014. The fund also provides transfers to a debt service fund to pay principal and interest costs on Series 2010B debt certificates, which were used for the expansion of the County mental health facility.

The Illinois Municipal Retirement Fund (IMRF Fund) accounts for expenditures for municipal retirement expenses for the County's employees. The fund experienced a decrease in fund balance of \$0.3 million for fiscal year 2014. Total revenues increased \$1.5 million or 27.8%, from \$5.4 million for fiscal year 2013 to \$6.9 million for fiscal year 2014. The increase in revenues is due to an increase in the amount of the County's IMRF property tax levy, which increased from \$5.3 million for fiscal year 2013 to \$6.8 million for fiscal year 2014, an increase of \$1.5 million or 28.3%. Total expenditures increased \$0.1 million or 1.4%, from \$7.2 million for fiscal year 2013 to \$7.3 million for fiscal year 2014. The IMRF Fund has a deficit fund balance of \$1.5 million as of November 30, 2014. The fund deficit is being temporarily financed by an advance from the general fund. The amount of the advance outstanding as of November 30, 2014 is \$3.1 million. The advance is non-interest bearing, with repayments to begin in 2016 and end by 2020.

Proprietary Funds

The Valley Hi Fund accounts for the activities of the Valley Hi nursing home. The fund experienced an increase in net position of \$4.4 million for fiscal year 2014. However, when considering only the operating revenues and expenses of the fund, the fund experienced an operating loss of \$0.1 million for fiscal year 2014, compared to an operating loss of \$0.3 million for fiscal year 2013. The biggest reason for the overall increase in net position is nonoperating revenues, specifically property taxes. Property tax revenue was \$4.5 million for fiscal year 2014. Voters approved a referendum in 2002 authorizing the Valley Hi fund to levy property taxes.

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the general fund was increased by \$1.3 million or 1.5% during fiscal year 2014, through budget amendments approved by the County Board, from the original budget of \$87.1 million to the final budget of \$88.4 million. The category with the largest increase was grants, contributions, and intergovernmental, which had an original budget of \$3.8 million and a final budget of \$4.8 million; an increase of \$1.0 million or 26.3%. The revenue budget for this category was increased when the County received grant awards during the year that were not part of the original budget, including an energy efficiency grant in the amount of \$0.5 million and various Health Departments grants in the amount of \$0.3 million.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Appropriation Budget: The appropriation budget for expenditures for the general fund was increased by \$5.0 million or 5.9% during fiscal year 2014, through emergency appropriations approved by the County Board, from the original budget of \$84.5 million to the final budget of \$89.5 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$3.9 million or 390.0%, from the original budget of \$1.0 million to the final budget of \$4.9 million. Individual increases within the capital outlay budget included \$1.0 million for the purchase of the Workforce Network facility on Russel Court, \$1.0 million for building improvements at the government center, \$0.8 million for computer software projects, and \$0.4 million for computer equipment.

Budget to Actual – Revenue: Actual revenues for the general fund totaled \$83.7 million, while the final budget totaled \$88.4 million, which is a variance of \$4.7 million. One significant revenue source that had budgeted revenues in excess of actual revenue was charges for services. Budgeted revenues for charges for services was \$23.1 million, compared to actual revenues of \$17.6 million, which is a variance of \$5.5 million. As previously noted, the variance in this category is mostly due to jail space rental, which decreased from \$8.1 million for fiscal year 2013 to \$7.0 million for fiscal year 2014; a decrease of \$1.1 million or 13.6%. Budgeted revenues for jail space rental was \$10.8 million, compared to actual revenues of \$7.0 million, which is a variance of \$3.8 million. Also within the charges for services category, recording fees had budgeted revenues of \$1.4 million, compared to actual revenues of \$0.9 million, which is a variance of \$0.5 million. The variance in recording fees is due to a slower than anticipated recovery in the local housing market. One revenue source that had actual revenue in excess of budgeted revenues was sales taxes. Actual revenues for sales taxes was \$9.9 million, which exceeded budgeted revenues of \$9.2 million; a variance of \$0.7 million. One factor related to higher than expected sales taxes was an improvement in the local unemployment rate from 8.3% in 2013 to 6.4% in 2014.

Budget to Actual – Expenditures: Actual expenditures for the general fund totaled \$82.9 million, while the final budget totaled \$89.5 million, which is a variance of \$6.6 million. The activity that had the largest variance was general and administrative, which had expenditures of \$27.1 million, compared to a final budget of \$29.9 million, which is a variance of \$2.8 million. Significant factors related to this variance include \$0.5 million in leftover contingency budget, which is designed to provide the County with sufficient budget to cover unforeseen events and circumstances. Another variance was for health insurance premiums for general fund employees, for which actual expenditures were \$11.1 million, while the final budgeted amount was \$11.9 million, which is a variance of \$0.8 million. Because the County is self-insured for health insurance claims, the budget is based on an estimate of prior years' experiences, but actual expenditures in any given year can vary based the actual volume and types of claims filed. Another significant variance was for open positions and other related personnel budget, for which there was \$0.7 million in unspent budget. Finally, expenditures for the purchase of tax transfer stamps was \$1.2 million, compared to the final budget of \$1.3 million, which is a variance of \$0.1 million. The variance was due to a slower than anticipated recovery in the local housing market.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2014, capital assets, net of accumulated depreciation/amortization, totaled \$301.0 million for governmental activities and \$13.8 million for business-type activities, for a total of \$314.8 million for the County.

Capital Assets
(net of accumulated depreciation/amortization)
November 30, 2014

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 63,410,984	\$ 61,054,564	\$ 6,000	\$ 6,000	\$ 63,416,984	\$ 61,060,564
Construction in Progress	57,873,202	51,732,949	198,158	-	58,071,360	51,732,949
Infrastructure	102,009,084	102,150,724	-	-	102,009,084	102,150,724
Buildings and Improvements	61,763,055	62,108,521	10,689,090	11,043,205	72,452,145	73,151,726
Land Improvements	163,625	169,598	189,460	204,609	353,085	374,207
Furniture and Fixtures	709,931	735,996	99,289	148,108	809,220	884,104
Machinery and Equipment	10,589,209	12,041,942	486,723	577,070	11,075,932	12,619,012
Computer Software	3,249,375	3,488,916	2,146,662	2,516,618	5,396,037	6,005,534
Transportation Equipment	1,259,975	1,134,136	4,089	8,178	1,264,064	1,142,314
Total capital assets	<u>\$ 301,028,440</u>	<u>\$ 294,617,346</u>	<u>\$ 13,819,471</u>	<u>\$ 14,503,788</u>	<u>\$ 314,847,911</u>	<u>\$ 309,121,134</u>

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$294.6 million at November 30, 2013 to \$301.0 million at November 30, 2014; a net increase of \$6.4 million, or 2.2%. Capital asset additions totaled \$16.5 million and depreciation/amortization expense was \$9.8 million. Significant additions include \$9.0 million for road and bridge construction projects, of which \$3.5 million was for Miller Road, \$1.9 million was for Randall Road, \$1.5 million was for the Union Road Bridge, and \$1.3 million was for Johnsburg Road. Other significant additions include \$2.1 million for right of way acquisitions for future road and bridge projects, \$1.0 million for the purchase of the Workforce Network facility on Russel Court, \$1.0 million for building improvements at the government center, \$0.5 million for machinery and equipment, \$0.4 million for a software project for the Public Defender and State's Attorney, and \$0.4 million for vehicles. During fiscal year 2014, various projects were placed in service and taken out of construction in progress. Projects placed in service included \$0.4 million for computer software projects and \$0.2 million for building improvements.

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$14.5 million at November 30, 2013 to \$13.8 million at November 30, 2014; a net decrease of \$0.7 million, or 4.8%. Capital asset additions totaled \$0.3 million and depreciation/amortization expense was \$1.0 million. The most significant capital asset addition was \$0.2 million for the purchase and implementation of a new computer software program for the 911 system, which is in construction in progress at November 30, 2014.

For more detailed information on the County's capital assets, see Note 5 of the Notes to Financial Statements on pages 31 – 33.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

Long-term Obligations – As of November 30, 2014, Long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$37.9 million for governmental activities and \$15,460 for business-type activities, for a total of \$37.9 million.

**Long-term Obligations
November 30, 2014**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Capital Leases	\$ 981,076	\$ 1,395,982	\$ 15,460	\$ 29,934	\$ 996,536	\$ 1,425,916
Debt Certificates	36,875,000	46,205,000	-	-	36,875,000	46,205,000
Total long-term obligations	<u>\$ 37,856,076</u>	<u>\$ 47,600,982</u>	<u>\$ 15,460</u>	<u>\$ 29,934</u>	<u>\$ 37,871,536</u>	<u>\$ 47,630,916</u>

Current year issuances for governmental activities were as follows: One new capital lease in the amount of \$375,533 was issued for the acquisition of computer equipment.

There were no issuances for business-type activities during fiscal year 2014.

Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act). As of November 30, 2014, the County's debt limit was \$206.7 million, while actual outstanding debt subject to the limit was \$19.1 million, leaving the County \$187.6 million under the debt limit.

The County's most recent bond rating by Moody's Investors Service was graded AAA. This highest level rating reduces the cost of raising capital for County projects, resulting in substantial savings for taxpayers.

Subsequent Events - In January 2015, the County issued debt certificates for \$15.8 million to refund outstanding debt certificates. The refunding was undertaken to reduce total debt service payments over the next seven years by approximately \$1.1 million and resulted in an economic gain of approximately \$1.0 million. In February 2015, the County initiated a capital lease for \$1.7 million to acquire desktop and laptop computer equipment.

For more detailed information on the County's long-term obligations, see Note 6 of the Notes to Financial Statements on pages 34 – 42.

ECONOMIC FACTORS

The major fund financial analysis and the government-wide financial analysis presented earlier in MD&A provide valuable insights into whether the County's near-term and overall financial position has improved or deteriorated. However, overall economic conditions and other circumstances will also impact the County's future financial position. Considering major economic factors can provide context for interpreting current financial information, as well as provide a basis for assessing the likelihood that the County's current financial position will improve or deteriorate in the future.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2014

One key economic factor that influences the County's long-term financial outlook is population growth. The County's population increased from 183,241 in 1990, to 260,077 in 2000, and to 308,760 in 2010. Since 2010 however, the County's population has decreased to 307,283 in 2014; a decrease of 1,477. Another important economic indicator is the local unemployment rate. The County's unemployment rate was 6.4% in 2014, which represents an improvement from the rate of 8.3% in 2013, 8.4% in 2012, 9.4% in 2011, and 9.6% in 2009 and 2010. However, the current rate is still higher than the average pre-recession rate of 4.7% for the four years from 2005 through 2008.

For more detailed statistical information, see the statistical section on pages 150 – 173.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of McHenry, Illinois, Auditor's Office, 2200 North Seminary Avenue, Woodstock, Illinois, 60098. This report can also be found on the County website at: <https://www.co.mchenry.il.us/county-government/departments-a-i/auditor/comprehensive-annual-financial-reports>.

BASIC FINANCIAL STATEMENTS

County of McHenry, Illinois

STATEMENT OF NET POSITION

November 30, 2014

(With Comparative Totals - Primary Government for November 30, 2013)

	Primary Government				
	Governmental	Business-	Totals		Component
	Activities	Type	2014	2013	Unit
		Activities			
ASSETS					
Current					
Cash and equivalents	\$ 158,779,918	\$ 42,908,475	\$ 201,688,393	\$ 200,902,972	\$ 12,713,623
Receivables					
Property taxes	76,486,825	3,000,000	79,486,825	78,766,525	19,515,885
Accounts	-	2,881,066	2,881,066	2,471,389	-
Other	1,035,333	765,116	1,800,449	2,236,668	65,186
Due from other governments	13,687,708	-	13,687,708	16,120,248	350,343
Internal balances	1,439,338	(1,439,338)	-	-	-
Prepaid expenses	-	95,901	95,901	100,654	83,406
Inventory	607,785	-	607,785	553,583	27,820
Total current assets	252,036,907	48,211,220	300,248,127	301,152,039	32,756,263
Noncurrent					
Capital Assets					
Land	63,410,984	6,000	63,416,984	61,060,564	205,504,768
Construction in progress	57,873,202	198,158	58,071,360	51,732,949	957,676
Capital assets, net of depreciation/amortization	179,744,254	13,615,313	193,359,567	196,327,621	27,195,586
Total noncurrent assets	301,028,440	13,819,471	314,847,911	309,121,134	233,658,030
Total Assets	553,065,347	62,030,691	615,096,038	610,273,173	266,414,293
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	-	-	64,229

	Primary Government				
	Governmental	Business-	Totals		Component
	Activities	Type	2014	2013	Unit
		Activities			
LIABILITIES					
Current					
Accounts payable	\$ 6,284,591	\$ 423,126	\$ 6,707,717	\$ 8,216,257	\$ 288,269
Accrued expenses	4,352,193	275,215	4,627,408	4,826,960	1,491,913
Unearned revenue	-	-	-	540	7,131
Other liabilities	742,156	134,688	876,844	1,091,680	-
Current portion of long-term obligations	14,309,597	93,292	14,402,889	15,350,565	6,237,311
Total current liabilities	25,688,537	926,321	26,614,858	29,486,002	8,024,624
Noncurrent					
Noncurrent portion of long-term obligations	40,455,281	425,346	40,880,627	50,414,293	128,572,387
Total Liabilities	66,143,818	1,351,667	67,495,485	79,900,295	136,597,011
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future period	76,486,825	3,000,000	79,486,825	78,766,525	19,515,885
NET POSITION					
Net investment in capital assets	270,863,664	13,804,011	284,667,675	269,152,885	99,666,882
Restricted for:					
Recorder's Office	2,025,439	-	2,025,439	2,107,461	-
Treasurer's Office	462,058	-	462,058	420,300	-
Liability insurance	15,962,989	-	15,962,989	15,189,846	147,183
Geographic information systems	1,702,210	-	1,702,210	1,884,222	-
County Clerk's Office	285,944	-	285,944	-	-
Community development	-	-	-	205,198	-
Transportation	64,782,555	-	64,782,555	67,580,531	-
Public safety	539,912	-	539,912	418,962	-
Judiciary and court related	2,196,506	-	2,196,506	2,191,825	-
Public health and welfare	16,012,539	-	16,012,539	16,320,310	-
Employee benefits	2,572,824	-	2,572,824	2,339,765	-
Public Building Commission	38,301	-	38,301	45,456	-
Debt service	-	-	-	-	831,535
Land acquisition and site improvement	-	-	-	-	1,097,631
Other	46,754	-	46,754	87,720	17,321
Working cash - permanently restricted	800,661	-	800,661	800,661	-
Unrestricted	32,142,348	43,875,013	76,017,361	72,861,211	8,605,074
Total Net Position	\$ 410,434,704	\$ 57,679,024	\$ 468,113,728	\$ 451,606,353	\$ 110,365,626

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2014

(With Comparative Totals - Primary Government for the Year Ended November 30, 2013)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 34,302,304	\$ 5,771,321	\$ 934,357	\$ -
Community development	3,719,430	534,174	1,445,027	-
Transportation	21,339,490	91,029	11,455,284	2,313,003
Public safety	40,980,612	8,614,756	280,880	505,743
Judiciary and court related	14,255,999	8,033,346	393,299	-
Public health and welfare	23,516,262	1,762,156	4,810,463	-
Interest and fiscal charges	1,534,221	-	-	63,575
Total Governmental Activities	139,648,318	24,806,782	19,319,310	2,882,321
Business-Type Activities				
Public health and welfare	10,799,150	10,733,110	-	-
Public safety	2,660,194	2,523,081	-	-
Total Business-Type Activities	13,459,344	13,256,191	-	-
Total Primary Government	\$ 153,107,662	\$ 38,062,973	\$ 19,319,310	\$ 2,882,321
Component Unit				
Conservation District	\$ 17,752,852	\$ 1,542,821	\$ 4,916	\$ 620,674
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Tax transfer stamps				
Other taxes				
Unrestricted intergovernmental revenues				
State income taxes				
Investment income				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position Primary Government				
Governmental Activities	Business-Type Activities	Totals		Component Unit
		2014	2013	
\$ (27,596,626)	\$ -	\$ (27,596,626)	\$ (30,738,897)	\$ -
(1,740,229)	-	(1,740,229)	(1,052,100)	-
(7,480,174)	-	(7,480,174)	(5,977,308)	-
(31,579,233)	-	(31,579,233)	(30,781,553)	-
(5,829,354)	-	(5,829,354)	(5,580,726)	-
(16,943,643)	-	(16,943,643)	(16,666,608)	-
(1,470,646)	-	(1,470,646)	(1,799,463)	-
(92,639,905)	-	(92,639,905)	(92,596,655)	-
-	(66,040)	(66,040)	(253,497)	-
-	(137,113)	(137,113)	(124,073)	-
-	(203,153)	(203,153)	(377,570)	-
(92,639,905)	(203,153)	(92,843,058)	(92,974,225)	-
-	-	-	-	(15,584,441)
74,017,467	4,493,330	78,510,797	78,350,972	19,519,137
19,577,205	-	19,577,205	18,718,620	-
1,833,392	-	1,833,392	1,896,811	-
2,283,433	-	2,283,433	2,005,449	195,562
6,265,092	-	6,265,092	6,234,765	-
263,632	68,095	331,727	346,447	50,214
457,065	-	457,065	404,762	121,056
91,722	-	91,722	26,164	8,132
104,789,008	4,561,425	109,350,433	107,983,990	19,894,101
12,149,103	4,358,272	16,507,375	15,009,765	4,309,660
398,285,601	53,320,752	451,606,353	436,596,588	106,055,966
\$ 410,434,704	\$ 57,679,024	\$ 468,113,728	\$ 451,606,353	\$ 110,365,626

County of McHenry, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2014

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
ASSETS					
Cash and equivalents	\$ 44,023,101	\$ 10,626,005	\$ 3,380,962	\$ 94,755,586	\$ 152,785,654
Property taxes receivable	40,405,000	10,900,000	7,800,000	17,381,825	76,486,825
Other receivables	219,904	31,862	-	783,567	1,035,333
Due from other governments	7,257,113	-	-	6,430,595	13,687,708
Due from other funds	12,577	-	-	2,663,606	2,676,183
Inventory	164,303	2,475	-	441,007	607,785
Advance to other funds	3,256,327	-	-	-	3,256,327
Total Assets	<u>\$ 95,338,325</u>	<u>\$ 21,560,342</u>	<u>\$ 11,180,962</u>	<u>\$ 122,456,186</u>	<u>\$ 250,535,815</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)					
Liabilities					
Accounts payable	\$ 1,516,588	\$ 1,020,677	\$ -	\$ 3,658,705	\$ 6,195,970
Accrued payroll	1,992,789	26,999	1,220,773	515,020	3,755,581
Due to other funds	947,187	68,484	637,500	1,925,711	3,578,882
Advance from other funds	-	-	3,064,140	192,187	3,256,327
Other liabilities	742,156	-	-	-	742,156
Total Liabilities	<u>5,198,720</u>	<u>1,116,160</u>	<u>4,922,413</u>	<u>6,291,623</u>	<u>17,528,916</u>
Deferred Inflows of Resources					
Property taxes levied for future period	40,405,000	10,900,000	7,800,000	17,381,825	76,486,825
Unavailable revenue	1,033,357	38,633	-	2,036,945	3,108,935
Total Deferred Inflows of Resources	<u>41,438,357</u>	<u>10,938,633</u>	<u>7,800,000</u>	<u>19,418,770</u>	<u>79,595,760</u>
Fund Balances (Deficit)					
Nonspendable	3,228,443	2,475	-	1,241,668	4,472,586
Restricted	691,306	9,503,074	-	93,430,874	103,625,254
Committed	-	-	-	2,073,251	2,073,251
Assigned	4,932,913	-	-	-	4,932,913
Unassigned	39,848,586	-	(1,541,451)	-	38,307,135
Total Fund Balances (Deficit)	<u>48,701,248</u>	<u>9,505,549</u>	<u>(1,541,451)</u>	<u>96,745,793</u>	<u>153,411,139</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 95,338,325</u>	<u>\$ 21,560,342</u>	<u>\$ 11,180,962</u>	<u>\$ 122,456,186</u>	<u>\$ 250,535,815</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
November 30, 2014

Total Fund Balances - Governmental Funds	\$ 153,411,139
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the governmental funds.	301,028,440
Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds.	3,108,935
Premiums and discounts associated with the issuance of long-term debt represent other financing sources (uses) in governmental funds in the year that the debt is issued. In the Statement of Net Position, these costs are capitalized and amortized over the life of the debt. This is the amount of unamortized premiums and discounts included in governmental activities in the Statement of Net Position.	(412,375)
Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	6,087,495
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Accrued interest	(594,623)
Compensated absences	(4,969,655)
Capital leases	(981,076)
Debt certificates	(36,875,000)
Claims and judgments - all other claims	(2,998,882)
Other post-employment benefit obligation	<u>(6,369,694)</u>
Total Net Position - Governmental Activities	\$ <u><u>410,434,704</u></u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended November 30, 2014

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
REVENUES					
Charges for services	\$ 17,615,106	\$ -	\$ -	\$ 3,953,185	\$ 21,568,291
Licenses and permits	1,133,987	-	-	91,029	1,225,016
Fines and forfeitures	1,014,225	-	-	25,423	1,039,648
Grants, contributions, and intergovernmental	4,727,322	178,871	-	17,266,529	22,172,722
Property taxes	38,782,842	10,744,674	6,784,982	17,704,969	74,017,467
Sales taxes	9,864,500	-	-	9,712,705	19,577,205
State income taxes	6,265,092	-	-	-	6,265,092
Tax transfer stamps	1,833,392	-	-	-	1,833,392
Other taxes	2,152,662	-	130,771	-	2,283,433
Investment income	89,889	12,441	2,900	150,715	255,945
Miscellaneous	254,378	23,380	-	305,507	583,265
Total Revenues	<u>83,733,395</u>	<u>10,959,366</u>	<u>6,918,653</u>	<u>49,210,062</u>	<u>150,821,476</u>
EXPENDITURES					
Current					
General and administrative	27,064,009	-	917,955	4,910,286	32,892,250
Community development	1,527,771	-	138,784	1,759,543	3,426,098
Transportation	-	-	345,374	17,315,481	17,660,855
Public safety	33,580,818	-	3,680,155	1,675,870	38,936,843
Judiciary and court related	9,624,006	-	989,415	2,968,549	13,581,970
Public health and welfare	6,820,989	9,327,237	1,182,307	6,145,734	23,476,267
Capital outlay	3,439,232	714	-	9,755,022	13,194,968
Debt service					
Principal retirement	757,655	-	-	9,362,784	10,120,439
Interest and fiscal charges	55,265	-	-	1,700,003	1,755,268
Total Expenditures	<u>82,869,745</u>	<u>9,327,951</u>	<u>7,253,990</u>	<u>55,593,272</u>	<u>155,044,958</u>
Excess (deficiency) of revenues over expenditures	<u>863,650</u>	<u>1,631,415</u>	<u>(335,337)</u>	<u>(6,383,210)</u>	<u>(4,223,482)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,454	-	-	20,902,256	20,911,710
Transfers out	(4,446,304)	(415,741)	-	(16,049,665)	(20,911,710)
Insurance recoveries	-	-	-	710,657	710,657
Capital leases issued	375,533	-	-	-	375,533
Total Other Financing Sources (Uses)	<u>(4,061,317)</u>	<u>(415,741)</u>	<u>-</u>	<u>5,563,248</u>	<u>1,086,190</u>
Net Change in Fund Balances	(3,197,667)	1,215,674	(335,337)	(819,962)	(3,137,292)
Fund Balance (Deficit) - Beginning of Year	<u>51,898,915</u>	<u>8,289,875</u>	<u>(1,206,114)</u>	<u>97,565,755</u>	<u>156,548,431</u>
Fund Balance (Deficit) - End of Year	<u>\$ 48,701,248</u>	<u>\$ 9,505,549</u>	<u>\$ (1,541,451)</u>	<u>\$ 96,745,793</u>	<u>\$ 153,411,139</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2014

Net Change in Fund Balances - Governmental Funds	\$ (3,137,292)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	13,194,968
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(2,671,030)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	3,127,437
Some items that are capitalized represent contributed assets.	2,818,746
Depreciation/amortization are reported in the government-wide financial statements.	(9,828,732)
In the government-wide financial statements, the gain/loss on disposal of capital assets is affected by the remaining net book value of disposed assets.	(230,295)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds (or were reported in the prior year), as follows:

Charges for services	273,311
Operating grants and contributions	(2,437,954)
Capital grants and contributions	(1,283)
Investment income	(249)

Internal service funds are used by management to charge insurance costs to individual funds.	789,811
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Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.	10,120,439
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Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position.	(375,533)
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Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are capitalized and amortized in the Statement of Activities.	77,724
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences	12,874
Decrease in accrued interest	143,323
Decrease in claims and judgments - all other claims	1,225,688
Increase in other post-employment benefit obligation	(952,850)

Change in Net Position - Governmental Activities	\$ <u><u>12,149,103</u></u>
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See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2014

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
ASSETS				
Current Assets				
Cash and equivalents	\$ 39,338,940	\$ 3,569,535	\$ 42,908,475	\$ 5,994,264
Property taxes receivable	3,000,000	-	3,000,000	-
Accounts receivable	2,881,066	-	2,881,066	-
Other receivables	11,414	753,702	765,116	-
Due from other funds	-	-	-	1,209,422
Prepaid expenses	23,080	72,821	95,901	-
	<u>45,254,500</u>	<u>4,396,058</u>	<u>49,650,558</u>	<u>7,203,686</u>
Total Current Assets				
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Construction in progress	-	198,158	198,158	-
Buildings and improvements	14,529,570	-	14,529,570	-
Land improvements	302,971	-	302,971	-
Furniture and fixtures	472,332	15,857	488,189	-
Machinery and equipment	482,802	1,838,949	2,321,751	-
Transportation equipment	71,164	19,053	90,217	-
Computer software	38,253	4,369,022	4,407,275	-
Less: accumulated depreciation/ amortization	(4,696,547)	(3,828,113)	(8,524,660)	-
	<u>11,206,545</u>	<u>2,612,926</u>	<u>13,819,471</u>	<u>-</u>
Net Capital Assets				
Total Assets	\$ <u>56,461,045</u>	\$ <u>7,008,984</u>	\$ <u>63,470,029</u>	\$ <u>7,203,686</u>

	Major Enterprise Fund Valley Hi	Nonmajor Enterprise Fund 911 Fund	Totals	Internal Service Fund
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 321,858	\$ 101,268	\$ 423,126	\$ 88,621
Accrued payroll	265,728	9,487	275,215	1,989
Due to other funds	301,292	5,431	306,723	-
Other liabilities	134,688	-	134,688	-
Compensated absences	71,024	7,354	78,378	-
Claims and judgments	-	-	-	2,158,196
Capital leases payable	14,914	-	14,914	-
Total Current Liabilities	1,109,504	123,540	1,233,044	2,248,806
Noncurrent Liabilities				
Compensated absences	142,047	14,708	156,755	-
Capital leases payable	546	-	546	-
Other post-employment benefit obligation	255,055	12,990	268,045	-
Total Noncurrent Liabilities	397,648	27,698	425,346	-
Total Liabilities	1,507,152	151,238	1,658,390	2,248,806
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future period	3,000,000	-	3,000,000	-
NET POSITION				
Net investment in capital assets	11,191,085	2,612,926	13,804,011	-
Unrestricted	40,762,808	4,244,820	45,007,628	4,954,880
Total Net Position	\$ 51,953,893	\$ 6,857,746	58,811,639	\$ 4,954,880
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(1,132,615)	
Net Position of Business-Type Activities			\$ 57,679,024	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended November 30, 2014

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 10,713,820	\$ 2,523,043	\$ 13,236,863	\$ 18,323,336
Other	<u>19,290</u>	<u>38</u>	<u>19,328</u>	<u>-</u>
Total Operating Revenues	<u>10,733,110</u>	<u>2,523,081</u>	<u>13,256,191</u>	<u>18,323,336</u>
OPERATING EXPENSES				
Personnel services	7,492,470	344,030	7,836,500	68,456
Contractual services	1,928,234	1,668,830	3,597,064	17,389,689
Commodities	981,971	107,331	1,089,302	3,439
Depreciation	472,079	173,620	645,699	-
Amortization	<u>-</u>	<u>369,956</u>	<u>369,956</u>	<u>-</u>
Total Operating Expenses	<u>10,874,754</u>	<u>2,663,767</u>	<u>13,538,521</u>	<u>17,461,584</u>
Operating Income (Loss)	<u>(141,644)</u>	<u>(140,686)</u>	<u>(282,330)</u>	<u>861,752</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	4,493,330	-	4,493,330	-
Investment income	62,595	5,500	68,095	7,936
Interest expense	<u>(700)</u>	<u>-</u>	<u>(700)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>4,555,225</u>	<u>5,500</u>	<u>4,560,725</u>	<u>7,936</u>
Net Change in Net Position	4,413,581	(135,186)	4,278,395	869,688
Net Position - Beginning of Year	<u>47,540,312</u>	<u>6,992,932</u>		<u>4,085,192</u>
Net Position - End of Year	<u>\$ 51,953,893</u>	<u>\$ 6,857,746</u>		<u>\$ 4,954,880</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>79,877</u>	
Change in Net Position of Business-Type Activities			<u>\$ 4,358,272</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2014

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 10,216,109	\$ 2,394,630	\$ 12,610,739	\$ 20,167,480
Payments to employees	(7,450,083)	(344,900)	(7,794,983)	(68,423)
Payments to third party administrator	-	-	-	(17,663,136)
Payments to suppliers	<u>(2,877,267)</u>	<u>(1,738,765)</u>	<u>(4,616,032)</u>	<u>(60,216)</u>
Net Cash Flows From Operating Activities	<u>(111,241)</u>	<u>310,965</u>	<u>199,724</u>	<u>2,375,705</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	4,493,330	-	4,493,330	-
Interfund payments	<u>(37,675)</u>	<u>387</u>	<u>(37,288)</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>4,455,655</u>	<u>387</u>	<u>4,456,042</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(20,297)	(223,477)	(243,774)	-
Principal payments - capital leases	(14,474)	-	(14,474)	-
Interest paid	<u>(700)</u>	<u>-</u>	<u>(700)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(35,471)</u>	<u>(223,477)</u>	<u>(258,948)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from investment income	<u>69,573</u>	<u>5,500</u>	<u>75,073</u>	<u>7,936</u>
Net Cash Flows From Investing Activities	<u>69,573</u>	<u>5,500</u>	<u>75,073</u>	<u>7,936</u>
Net Change in Cash and Equivalents	4,378,516	93,375	4,471,891	2,383,641
Cash and Equivalents - Beginning of Year	<u>34,960,424</u>	<u>3,476,160</u>	<u>38,436,584</u>	<u>3,610,623</u>
Cash and Equivalents - End of Year	<u>\$ 39,338,940</u>	<u>\$ 3,569,535</u>	<u>\$ 42,908,475</u>	<u>\$ 5,994,264</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (141,644)	\$ (140,686)	\$ (282,330)	\$ 861,752
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	472,079	173,620	645,699	-
Amortization	-	369,956	369,956	-
Change in assets and liabilities				
Accounts receivable	(409,677)	-	(409,677)	-
Other receivables	-	(128,451)	(128,451)	-
Due from other funds	-	-	-	1,844,144
Prepaid expenses	(8,415)	13,168	4,753	-
Accounts payable	112,094	41,051	153,145	86,681
Accounts payable - capital asset purchases	(70,741)	(16,823)	(87,564)	-
Accrued payroll	(15,063)	(1,799)	(16,862)	33
Other liabilities	(107,324)	-	(107,324)	-
Compensated absences	23,467	(1,858)	21,609	-
Claims and judgments	-	-	-	(416,905)
Other post-employment benefit obligation	33,983	2,787	36,770	-
Net Cash Flows From Operating Activities	\$ <u>(111,241)</u>	\$ <u>310,965</u>	\$ <u>199,724</u>	\$ <u>2,375,705</u>
NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:				
Capital assets acquired through accounts payable	\$ <u>70,741</u>	\$ <u>16,823</u>	\$ <u>87,564</u>	\$ <u>-</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

ASSETS

Cash and equivalents	\$ 14,106,519
Due from other governments	<u>87,826</u>
Total Assets	<u><u>\$ 14,194,345</u></u>

LIABILITIES

Accounts payable	\$ 405,644
Due to residents	43,187
Bond escrow	2,508,298
Due to other governments	10,402,843
Other liabilities	<u>834,373</u>
Total Liabilities	<u><u>\$ 14,194,345</u></u>

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2014

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the County of McHenry, Illinois (County) conform to accounting principles generally accepted in the United States of America, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of significant accounting policies:

A. Reporting Entity

The reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability exists when:

1. The primary government appoints a voting majority of the component unit's board, and either a) the primary government has the ability to impose its will on the component unit, or b) there exists a financial benefit or burden relationship between the primary government and the component unit; or
2. The component unit is fiscally dependent on the primary government and there exists a financial benefit or burden relationship between the primary government and the component unit.

Legally separate tax-exempt organizations may also be reported as a component unit of a primary government if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition to the criteria described above, the primary government may also consider a legally separate organization to be a component unit if it would otherwise be misleading to exclude the component unit, based on the nature and significance of the component unit's relationship with the primary government.

Following is a description of the organizations that the County considers to be component units, the rationale for including these organizations as component units, and the manner in which the component units are presented in the accompanying financial statements.

Component Unit #1 - McHenry County Public Building Commission - (Blended Component Unit)

The McHenry County Public Building Commission (Commission) is considered to be a component unit of the County because the County Board appoints a voting majority of the Commission's Board and because there exists a financial burden relationship, since the County is legally obligated for the Commission's outstanding debt. The sole purpose of the Commission is to manage the County's building activities. Therefore, the Commission is presented as a blended component unit, which means that the Commission is reported as if it were part of the County. The Commission is presented in the accompanying financial statements as a Special Revenue Fund. The Commission has a fiscal year that ends on November 30, the same as the County. Separately audited financial statements for the Commission may be obtained from the Public Building Commission, 2200 N. Seminary Avenue, Woodstock, Illinois, 60098-2367.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Component Unit #2 - McHenry County Conservation District - (Discretely Presented Component Unit)

The McHenry County Conservation District (District) is considered to be a component unit of the County because the County Board appoints a voting majority of the District's Board and because the County has the ability to impose its will on the District, since the District's annual budget and appropriation ordinance is not considered to be adopted until it is adopted by a resolution of the County Board. The District acquires and maintains land as open space for preservation, education, and recreation within the County. The District is reported as a discretely presented component unit within the accompanying financial statements. The District has a fiscal year that ends on March 31. The latest financial statements as reflected in this report are for the year ended March 31, 2014. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

Related Organizations

Certain organizations have a voting majority of their board members appointed by the County Board. However, the County is not financially accountable for these organizations because the County does not have the ability to impose its will and because there is no financial benefit or burden relationship. Accordingly, these organizations are not included as part of the financial reporting entity. Such organizations include the following:

Greenwood Drainage District
Hebron Drainage District
McHenry County Housing Authority
Marengo Rescue Squad
Lake in the Hills Sanitary District

Crystal Lake Rural Fire Protection District
Fox River Grove Fire Protection District
Harvard Community Fire Protection District
McHenry Township Fire Protection District

B. Government-Wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the County. Eliminations have been made to minimize the double-counting of internal activities of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the discretely presented component unit.

The Statement of Activities demonstrates the degree to which the direct expenses of each County function (general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to the functions in the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements: Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows/outflows of resources, net position/fund balance, revenues, and expenses/expenditures. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund statements. An emphasis is placed on major funds within the governmental and proprietary fund statements. A fund is considered major if it is the primary operating fund of the County or if it meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County administers the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. Services which are administered by various departments and accounted for in the general fund include general and administrative, community development, public safety, judiciary and court related, and public health and welfare.

County Mental Health Fund – This fund accounts for expenditures for administering approved mental health programs. Funding is primarily from property taxes.

Illinois Municipal Retirement Fund – This fund accounts for expenditures for municipal retirement expenses for the County’s employees. Revenue is primarily from property taxes.

The County administers the following major enterprise fund:

Valley Hi Fund – This fund accounts for the activities of the Valley Hi nursing home.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. The County administers the following internal service fund:

Health Insurance Fund – This fund accounts for employee and retiree health insurance premiums and claims.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary (agency) funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Significant activities reported in the agency funds include assets held by the County as an agent responsible for collecting property taxes and assets held by the Clerk of the Circuit Court as an agent for the courts.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the discretely presented component unit. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Agency funds also follow the accrual basis of accounting, but do not have a measurement focus.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues, and various State, Federal, and local grants. On an accrual basis, revenues from taxes are recognized when the County has a legal claim to the resources. Grants, entitlements, State shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In general, the County considers revenues for this purpose to be available if they are collected within 60 days of the end of the current fiscal year. However, the County also judgmentally uses an extended period of time, mainly due to unusual delays in payments from the State of Illinois, to avoid artificially distorting normal revenue patterns.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures are recorded when the related liability is incurred, except for unmatured interest on long-term debt, claims and judgments, compensated absences, pension expenditures, and other post employment benefit costs, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. New Accounting Standards Implemented

No significant new accounting standards were implemented during fiscal year 2014. See note 17 for a summary of new accounting standards that the County will have to implement in future years.

E. Cash and Equivalents

For purposes of the statement of cash flows, the County considers, for proprietary funds, all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

G. Inventory

Inventories are valued at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

H. Capital Assets

Capital assets, which include tangible assets (land, land improvements, roads, bridges, and related infrastructure, buildings and improvements, furniture and fixtures, machinery and equipment, and transportation equipment) and intangible assets (computer software), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$250,000 for infrastructure assets, \$1 for land, \$50,000 for buildings and improvements and computer software, and \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are presented as capital outlay expenditures in the governmental funds.

Assets which are acquired and held for the County's use are stated at historical cost. Donated capital assets are recorded at their fair market value at the date of donation.

For proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no interest expense capitalized by proprietary funds during 2014.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation/amortization of capital assets is recorded in the statement of activities with accumulated depreciation/amortization reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

	Years
Roads, bridges, and related infrastructure	10 – 40
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 20
Machinery and equipment	5 – 25
Computer software	5 – 10
Transportation equipment	4 – 10

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate category called deferred outflows of resources, which represents a consumption of net position or fund balance that applies to a future period. Deferred outflows of resources are considered by GASB to be separate and distinct from assets. The County currently does not have any items that qualify for reporting in this category. The District reports the following item as a deferred outflow of resources: deferred charge on refunding (statement of net position).

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate category called deferred inflows of resources, which represents an acquisition of net position or fund balance that applies to a future period. Deferred inflows of resources are considered by GASB to be separate and distinct from liabilities. The County reports the following items as deferred inflows of resources: property taxes levied for future period (governmental activities, business-type activities, proprietary funds, and governmental funds), and unavailable revenue (governmental funds). The District reports the following item as a deferred inflow of resources: property taxes levied for future period (statement of net position).

J. Unearned Revenue

Unearned revenue arises when resources are received before the County has a legal claim to them, such as when grant monies are received before all eligibility requirements (other than time requirements) imposed by the provider have been met. Unearned revenues are reported as a liability. In subsequent periods, when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. In addition to grant funding, unearned revenue arises from various charges for services, intergovernmental payments, and developer contributions received before such payments have been earned.

K. Compensated Absences

County employees accumulate vacation, sick pay, and compensatory time off for subsequent use or for payment upon termination, death, or retirement. Employees are allowed to accrue up to 150% of their annual vacation accrual, and at no time shall their balance exceed the 150% maximum limit. Employees may not receive vacation pay in lieu of time off unless the department head requests that the employee waive vacation to avoid a hardship on the department. Accrued compensatory time off, earned for hours worked in excess of the employee's regular work schedule, may accumulate up to a maximum of 240 hours, with any excess paid out by the County. Accumulated sick leave is not paid out at termination of employment.

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave balances and unused compensatory time balances for County employees and is determined using current salary rates and includes salary-related payments.

A liability for compensated absences is reported in the individual governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave and accumulated compensatory time of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

District (component unit) employees earned vacation pay, up to a maximum of 30 working days, and a percentage (based on length of employment) of sick leave may be paid upon termination of employment.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary funds statement of net position. Premiums and discounts from long-term debt issuances are capitalized and amortized over the life of the issuance using the effective interest method. Issuance costs are reported as expenses in the year of issuance.

In the fund financial statements, governmental funds recognize issuance premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Debt service funds are used to account for and service the long-term obligations issued for governmental funds. Enterprise funds individually account for and service the applicable debt that benefit those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a liability of a governmental fund.

M. Capital Contributions

Capital contributions in the government-wide financial statements represent donations of land, highways, and other capital assets, primarily from developers. Capital contributions reported in the enterprise funds, if any, represent transfers of equipment from governmental funds and capital contributions from outside parties.

N. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and generally result in an increase to the budget for the subsequent year. See note 11 for a summary of encumbrances outstanding at year-end.

O. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

P. Interfund Transactions

The County has the following types of transactions between funds:

Loans and Advances – amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds and due to other funds, when repayment is expected within one year. When repayment is not expected within one year, interfund loans are reported as advances to other funds and advances from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net position.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Interfund Transactions (Continued)

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the governmental fund balance sheets or proprietary fund statements of net position.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as nonoperating revenues and expenses. Transfers between governmental activities and business-type activities are presented as offsetting transfers, under general revenues and transfers, in the government-wide statement of activities.

Q. Claims and Judgments

Claims and judgments are recorded as liabilities if it is probable that a loss has been incurred and the amount in question can be reasonably estimated. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred and the above conditions are met. For additional information on claims and judgments, see note 10 - Risk Management.

R. Net Position/Fund Balance

Government-Wide Financial Statements

In the government-wide financial statements, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as net position and is displayed in the following categories:

- a. **Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of related bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – All other net position that does not meet the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Net Position/Fund Balance (Continued)

Fund Financial Statements

For governmental funds, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as fund balance and is displayed in the following categories, which describe the nature and extent of constraints on the use of resources that the County is bound to observe:

- a. **Nonspendable** - Represents fund balance that cannot be spent because it is not in spendable form or legally required to be maintained intact.
- b. **Restricted** - Represents fund balance with constraints placed on its use, either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- c. **Committed** - Represents fund balance with constraints placed on its use, imposed internally by formal action (ordinance) of the County's highest level of decision making authority, the County Board, separate from the authorization to raise the underlying revenue. Committed fund balance may be redeployed for other purposes, but requires additional formal action (ordinance) of the County Board. The formal action to commit fund balance must occur prior to the end of the reporting period.
- d. **Assigned** - Represents fund balance that is not considered to be restricted or committed, but is constrained by the County's intent to use resources for specific purposes. Also, remaining positive fund balance amounts, in governmental funds other than the general fund, that are not classified as nonspendable, restricted, or committed are reported as assigned. The County's policy is that fund balance may only be assigned by the County Board through the passage of a resolution.
- e. **Unassigned** - Represents fund balance in the general fund that does not meet the definition of nonspendable, restricted, committed, or assigned fund balance. The general fund is the only fund that should report a positive unassigned fund balance amount. Other governmental funds may report negative unassigned fund balance if expenditures incurred for a specific purpose exceed the resources that are restricted, committed, or assigned to that purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted fund balance first, then unrestricted fund balance as necessary. Additionally, it is the County's policy to first use committed fund balance, then assigned fund balance, and finally unassigned fund balance when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The County has a minimum fund balance policy. The policy states that the County should maintain in the general fund, minimum unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) equal to six months of budgeted operating expenditures. As of November 30, 2014, the general fund reserve was 5.8 months.

For proprietary funds, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as net position, and is displayed in the same format as in the government-wide financial statements.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2013. Comparative data by fund has not been presented in all statements, since its inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2 – Legal Compliance – Budgets

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In October, the County Administrator, Associate County Administrator of Finance, and Finance Committee Chairman submit to the County Board a proposed operating budget for the fiscal year commencing on December 1. The operating budget includes proposed expenditures and the means of financing them.

The operating budget is then posted in the Office of the County Clerk for a period of 15 days for public inspection. Prior to November 30, the budget is adopted by passage of an ordinance by the County Board.

Budgetary control over expenditures is maintained on an object code basis (personnel services, contractual, commodities, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board. During the year, several emergency appropriations were approved. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end.

Budgets for governmental fund types and internal service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise funds are adopted on a modified basis, in that depreciation/amortization is not budgeted and capital outlay and debt principal retirements are budgeted. Budgets are adopted for the General Fund, as well as for Special Revenue, Debt Service, Capital Project, Permanent, Enterprise, and Internal Service Funds. However, no budget is adopted for the Public Building Commission Fund (blended component unit), which is a nonmajor special revenue fund.

Excess of Expenditure/Expenses Over Appropriations

No funds had an excess of expenditures/expenses over appropriations for the year ended November 30, 2014.

Note 3 – Deposits and Investments

A. Primary Government and Fiduciary Funds

Permitted Deposits and Investments - The County's formal investment policy, which is more restrictive than State Statutes, authorizes the County to make deposits/invest in commercial banks, obligations of the U.S. Treasury or other securities guaranteed by the full faith and credit of the United States of America, savings and loan institutions, and the Illinois Funds Investment Pool.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

The County's deposits and investments are categorized to show exposure to applicable risk categories as of November 30, 2014.

As of November 30, 2014, the County had the following investments:

Investment Type	Fair Value	
	Primary Government	Fiduciary Funds
Illinois Funds	\$ <u>3,515</u>	\$ <u>812</u>

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer. Oversight is provided by the Auditor General of the State of Illinois. Illinois Funds is not registered with the SEC. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's formal investment policy requires the Treasurer to determine the maturity of investments, so as to enable sufficient cash for all County operating purposes. Investments may be purchased with maturities to match cash flow needs, future projects, or liability requirements.

Credit risk. As stated above, the County's formal investment policy is more restrictive than State Statutes. In addition, the policy requires the Treasurer to maintain current statements of condition for each financial institution holding County funds to review for any evidence of deterioration. If deterioration is noted, the policy permits the County to withdraw its funds and remove said institutions from the list of approved financial institutions. This policy ensures that the County's investments are only maintained with the most creditworthy issuers. As of November 30, 2014, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial credit risk. As of November 30, 2014, none of the County's investments were exposed to custodial credit risk. The County's formal investment policy does not permit any investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

As of November 30, 2014, the County (primary government) had deposits with a book balance of \$201,679,753 and a bank balance of \$200,479,469 and the fiduciary funds had deposits with a book balance of \$14,104,107 and a bank balance of \$16,785,290. As of November 30, 2014, none of the above deposits were exposed to custodial credit risk. The County's formal investment policy manages custodial credit risk for deposits by requiring that all funds in excess of FDIC insurance be secured by collateral held in the County's name.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

A reconciliation of cash and investments as shown on the Statement of Net Position and the Statement of Fiduciary Assets and Liabilities is as follows:

Cash and investments, as disclosed in Note 3:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Cash on hand	\$ 5,125	\$ 1,600
Carrying amount of deposits	201,679,753	14,104,107
Carrying amount of investments	<u>3,515</u>	<u>812</u>
Total cash and investments, as disclosed in Note 3	\$ <u><u>201,688,393</u></u>	\$ <u><u>14,106,519</u></u>

Cash and investments, as reported in the financial statements:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Cash and equivalents	\$ <u><u>201,688,393</u></u>	\$ <u><u>14,106,519</u></u>

B. District (Component Unit)

The District's investment policy authorizes the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by saving and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, and securities issued by Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity, and yield. The Board of Trustee's policy requires collateralization at 105% of the aggregate balance of principal and accrued interest on deposits in financial institutions.

1. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral in the name of the District.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 3 – Deposits and Investments (Continued)

B. District (Component Unit) (Continued)

2. Investments

The following table presents the investments and maturities of the District's securities with interest rate risk as of March 31, 2014:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ <u>2,675,000</u>	\$ <u>2,000,000</u>	\$ <u>675,000</u>	\$ <u>-</u>	\$ <u>-</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed with a budgetary or economic cycle. The investment policy does not strictly limit the maximum maturity lengths of investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in Illinois Funds, which is rated AAAM by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investment that are in possession of an outside party. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District's investment policy requires diversification of investments to avoid unreasonable risk. At March 31, 2014, the District has greater than five percent of its overall portfolio invested in the Illinois Funds. This is in accordance with the District's investment policy.

Note 4 – Property Taxes/Receivables

A. Property Taxes

The County's property tax is levied each calendar year on all taxable real property located in the County. Since the calendar year 2014 property tax is levied to finance the operations of fiscal year 2015, the calendar year 2014 property tax levy is recorded as a receivable and a deferred inflow of resources as of November 30, 2014. The calendar year 2013 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2014. The County must file its tax levy by the last Tuesday of December each year.

The township assessors are responsible for assessment of all taxable real property within the County, except for certain railroad and pollution control property which is assessed directly by the State. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 4 – Property Taxes/Receivables (Continued)

A. Property Taxes (Continued)

Property taxes are collected by the County Collector/Treasurer, who remits to the units their respective share of the collections. The calendar year 2013 property tax levy became due and payable in two installments in June 2014 and September 2014. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

B. Allowance for Uncollectible Amounts

Revenues of the County are reported net of uncollectible amounts. The allowance for uncollectible amounts related to revenues of the current period is summarized as follows:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Revolving Loan Fund	Nonmajor Governmental Fund	\$ 200,000
Valley Hi Fund	Major Enterprise Fund	<u>150,000</u>
		<u>\$ 350,000</u>

C. Unearned/Unavailable Revenue

Unearned revenue is reported as a liability for resources that have been received, but not yet earned. Property taxes levied for the subsequent year cannot be used to liquidate liabilities of the current period and are reported as a deferred inflow of resources. Governmental funds report unavailable revenue as a deferred inflow of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the following items are reported in governmental funds and governmental activities:

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Liabilities		
Unearned revenue - resources with unmet eligibility requirements	\$ <u>-</u>	\$ <u>-</u>
Deferred Inflows of Resources		
Property taxes levied for future period	\$ <u>76,486,825</u>	\$ <u>76,486,825</u>
Unavailable revenue - grants receivable	1,951,393	-
Unavailable revenue - other receivables	<u>1,157,542</u>	<u>-</u>
Total unavailable revenue	<u>3,108,935</u>	<u>-</u>
Total deferred inflows of resources	\$ <u>79,595,760</u>	\$ <u>76,486,825</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 5 – Capital Assets

A summary of changes in capital assets for governmental activities of the County (primary government) is as follows:

	Balance December 1	Additions	Deletions	Balance November 30
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 61,054,564	\$ 2,356,420	\$ -	\$ 63,410,984
Construction in progress	51,732,949	9,524,822	(3,384,569)	57,873,202
Total Capital Assets Not Being Depreciated	112,787,513	11,881,242	(3,384,569)	121,284,186
Other Capital Assets				
Roads, bridges, and related infrastructure	138,610,509	3,408,524	-	142,019,033
Buildings and improvements	101,017,871	2,258,857	-	103,276,728
Land improvements	181,544	-	-	181,544
Furniture and fixtures	3,384,936	97,619	(36,716)	3,445,839
Machinery and equipment	35,507,325	1,106,751	(201,769)	36,412,307
Computer software	9,211,107	394,937	-	9,606,044
Transportation equipment	5,810,939	510,943	(638,727)	5,683,155
Total Other Capital Assets	293,724,231	7,777,631	(877,212)	300,624,650
Less Accumulated Depreciation/Amortization for:				
Roads, bridges, and related infrastructure	(36,459,785)	(3,550,164)	-	(40,009,949)
Buildings and improvements	(38,909,350)	(2,604,323)	-	(41,513,673)
Land improvements	(11,946)	(5,973)	-	(17,919)
Furniture and fixtures	(2,648,940)	(121,484)	34,516	(2,735,908)
Machinery and equipment	(23,465,383)	(2,527,206)	169,491	(25,823,098)
Computer software	(5,722,191)	(634,478)	-	(6,356,669)
Transportation equipment	(4,676,803)	(385,104)	638,727	(4,423,180)
Total Accumulated Depreciation/Amortization	(111,894,398)	(9,828,732)	842,734	(120,880,396)
Other Capital Assets, Net	181,829,833	(2,051,101)	(34,478)	179,744,254
Governmental Activities Capital Assets, Net	\$ 294,617,346	\$ 9,830,141	\$ (3,419,047)	\$ 301,028,440

Depreciation/Amortization expense for governmental activities was charged to functions as follows:

General and administrative	\$ 3,216,333
Community development	47,855
Transportation	4,249,115
Public safety	1,242,660
Judiciary and court related	690,463
Public health and welfare	382,306
Total Depreciation/Amortization Expense – Governmental Activities	\$ 9,828,732

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 5 – Capital Assets (Continued)

A summary of changes in capital assets for business-type activities of the County (primary government) is as follows:

	Balance December 1	Additions	Deletions	Balance November 30
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	-	198,158	-	198,158
Total Capital Assets Not Being Depreciated	6,000	198,158	-	204,158
Other Capital Assets				
Buildings and improvements	14,529,570	-	-	14,529,570
Land improvements	302,971	-	-	302,971
Furniture and fixtures	488,189	-	-	488,189
Machinery and equipment	2,289,333	133,180	(100,762)	2,321,751
Computer software	4,428,525	-	(21,250)	4,407,275
Transportation equipment	90,217	-	-	90,217
Total Other Capital Assets	22,128,805	133,180	(122,012)	22,139,973
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(3,486,365)	(354,115)	-	(3,840,480)
Land improvements	(98,362)	(15,149)	-	(113,511)
Furniture and fixtures	(340,081)	(48,819)	-	(388,900)
Machinery and equipment	(1,712,263)	(223,527)	100,762	(1,835,028)
Computer software	(1,911,907)	(369,956)	21,250	(2,260,613)
Transportation equipment	(82,039)	(4,089)	-	(86,128)
Total Accumulated Depreciation/Amortization	(7,631,017)	(1,015,655)	122,012	(8,524,660)
Other Capital Assets, Net	14,497,788	(882,475)	-	13,615,313
Business-Type Activities Capital Assets, Net	\$ <u>14,503,788</u>	\$ <u>(684,317)</u>	\$ <u>-</u>	\$ <u>13,819,471</u>

Depreciation/Amortization expense for business-type activities was charged to functions as follows:

Public safety	\$ 543,576
Public health and welfare	<u>472,079</u>
Total Depreciation/Amortization Expense – Business-Type Activities	<u>\$ 1,015,655</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 5 – Capital Assets (Continued)

A summary of changes in capital assets of the District (component unit) is as follows:

	Balance April 1	Additions	Deletions	Balance March 31
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 204,641,148	\$ 863,620	\$ -	\$ 205,504,768
Construction in progress	<u>2,875,692</u>	<u>3,728,352</u>	<u>(5,646,368)</u>	<u>957,676</u>
Total Capital Assets Not Being Depreciated	<u>207,516,840</u>	<u>4,591,972</u>	<u>(5,646,368)</u>	<u>206,462,444</u>
Other Capital Assets				
Land improvements and roads	25,318,030	2,191,710	-	27,509,740
Buildings and improvements	12,958,691	1,659,536	-	14,618,227
Furniture and equipment	2,122,509	151,159	(23,483)	2,250,185
Office equipment	423,187	55,351	(5,971)	472,567
Vehicles	<u>2,129,353</u>	<u>207,420</u>	<u>(24,188)</u>	<u>2,312,585</u>
Total Other Capital Assets	<u>42,951,770</u>	<u>4,265,176</u>	<u>(53,642)</u>	<u>47,163,304</u>
Less accumulated depreciation for:				
Land improvements and roads	(10,873,771)	(1,084,516)	-	(11,958,287)
Buildings and improvements	(4,502,451)	(429,392)	-	(4,931,843)
Furniture and equipment	(1,278,237)	(174,522)	23,483	(1,429,276)
Office equipment	(225,258)	(37,707)	5,971	(256,994)
Vehicles	<u>(1,158,368)</u>	<u>(257,138)</u>	<u>24,188</u>	<u>(1,391,318)</u>
Total Accumulated Depreciation	<u>(18,038,085)</u>	<u>(1,983,275)</u>	<u>53,642</u>	<u>(19,967,718)</u>
Other Capital Assets, Net	<u>24,913,685</u>	<u>2,281,901</u>	<u>-</u>	<u>27,195,586</u>
Governmental Activities Capital Assets, Net	<u>\$ 232,430,525</u>	<u>\$ 6,873,873</u>	<u>\$ (5,646,368)</u>	<u>\$ 233,658,030</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations

The following is a summary of long-term obligation activity for the County (primary government) associated with governmental activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 4,982,529	\$ 4,875,323	\$ 4,888,197	\$ 4,969,655	\$ 1,656,552
Capital leases	1,395,982	375,533	790,439	981,076	641,018
Debt certificates	46,205,000	-	9,330,000	36,875,000	9,085,000
Debt certificate issuance premiums	490,099	-	77,724	412,375	77,724
Claims and judgments - health claims	2,575,101	17,246,231	17,663,136	2,158,196	2,158,196
Claims and judgments - all other claims	4,224,570	(74,828)	1,150,860	2,998,882	691,107
Other post-employment benefit obligation	<u>5,416,844</u>	<u>1,667,501</u>	<u>714,651</u>	<u>6,369,694</u>	<u>-</u>
	<u>\$ 65,290,125</u>	<u>\$ 24,089,760</u>	<u>\$ 34,615,007</u>	<u>\$ 54,764,878</u>	<u>\$ 14,309,597</u>

Compensated absences and other post-employment benefit obligation will be liquidated primarily by the general fund. Claims and judgments - health claims will be liquidated by the health insurance fund (internal service fund), while claims and judgments - all other claims will be liquidated by the insurance loss fund (nonmajor special revenue fund).

The following is a summary of long-term obligation activities for the County (primary government) associated with business-type activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 213,524	\$ 251,098	\$ 229,489	\$ 235,133	\$ 78,378
Capital leases	29,934	-	14,474	15,460	14,914
Other post-employment benefit obligation	<u>231,275</u>	<u>64,350</u>	<u>27,580</u>	<u>268,045</u>	<u>-</u>
	<u>\$ 474,733</u>	<u>\$ 315,448</u>	<u>\$ 271,543</u>	<u>\$ 518,638</u>	<u>\$ 93,292</u>

Compensated absences and other post-employment benefit obligation will be liquidated by the Valley Hi fund and the 911 fund.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

The following is a summary of long-term obligation transactions for the District (component unit):

	Balance April 1	Issuances	Retirements	Balance March 31	Due Within One Year
Compensated absences	\$ 667,347	\$ 326,862	\$ 291,648	\$ 702,561	\$ 297,311
General obligation bonds	132,965,000	-	5,415,000	127,550,000	5,940,000
Bond issuance premiums	1,865,461	-	160,084	1,705,377	-
Installment contract	4,800,000	-	-	4,800,000	-
Other post-employment benefit obligation	45,796	5,964	-	51,760	-
	<u>\$ 140,343,604</u>	<u>\$ 332,826</u>	<u>\$ 5,866,732</u>	<u>\$ 134,809,698</u>	<u>\$ 6,237,311</u>

Long-term obligations outstanding (excluding compensated absences, debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) of the County (primary government) are as follows:

Description	Balance December 1	Issuances	Retirements	Balance November 30
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Capital Leases – Governmental Activities

Laptop Lease 11-15

\$663,004 capital lease, due in annual installments of \$172,639; interest at 2.50% through April 2014. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund and the Workforce Network Fund.

\$	168,439	\$	-	\$	168,439	\$	-
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Avaya Lease 11-16

\$321,039 capital lease, monthly principal and interest payments of \$5,761 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.

136,369	-	65,937	70,432
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Server Lease 11-16

\$1,940,000 capital lease, due in annual installments of \$409,240; interest at 2.42% through October 2015. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.

789,692	-	390,124	399,568
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities (Continued)				
Recorder Lease 12-16				
\$145,337 capital lease, due in annual installments of \$30,631; interest at 2.38% through July 2016. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Recorder Automation Fund.	\$ 87,688	\$ -	\$ 28,545	\$ 59,143
Panasonic Lease 12-16				
\$116,726 capital lease, monthly principal and interest payments of \$2,580 through August 2016; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	80,278	-	28,947	51,331
HP Toughbooks Lease 13-17				
\$181,184 capital lease, due in annual installments of \$47,668; interest at 3.51% through July 2016. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	133,516	-	42,978	90,538
Stan's Lease 14-18				
\$375,533 capital lease, due in monthly installments of \$7,377; interest at 6.66% through November 2018. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	-	375,533	65,469	310,064
Total Capital Leases - Governmental Activities	\$ <u>1,395,982</u>	\$ <u>375,533</u>	\$ <u>790,439</u>	\$ <u>981,076</u>

Capital leases have resulted in the acquisition of \$5,017,103 of capital assets (equipment), which have accumulated depreciation of \$3,855,321.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities				
McHenry County General Obligation				
\$8,280,000 McHenry County Debt Certificates Series 2006A, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022. The proceeds were used to advance refund Series 2002B debt certificates. In addition, proceeds were used for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 5,570,000	\$ -	\$ 530,000	\$ 5,040,000
McHenry County General Obligation				
\$4,885,000 McHenry County Debt Certificates Series 2007A, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017. The proceeds were used for the purchase and implementation of a new radio system for the Sheriff's Office. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	2,175,000	-	510,000	1,665,000
McHenry County General Obligation				
\$50,000,000 McHenry County Debt Certificates Series 2007B, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017. The proceeds were used for highway engineering, construction, and maintenance costs. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Highway Fund, Motor Fuel Tax Fund, and County Option Motor Fuel Tax Fund.	22,680,000	-	5,295,000	17,385,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$4,480,000 McHenry County Debt Certificates Series 2008, due in annual installments of \$380,000 to \$520,000; Interest at 3.0% to 4.25% through January 2019. The proceeds were used for the acquisition of land and property adjacent to the County courthouse campus. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 2,890,000	\$ -	\$ 440,000	\$ 2,450,000
McHenry County General Obligation				
\$7,595,000 McHenry County Debt Certificates Series 2010A, due in annual installments of \$185,000 to \$1,125,000; Interest at 1.5% to 4.5% through December 2019. The proceeds were used for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	5,060,000	-	1,050,000	4,010,000
McHenry County General Obligation				
\$4,000,000 McHenry County Debt Certificates (Recovery Zone Economic Development Bonds) Series 2010B, due in annual installments of \$65,000 to \$350,000; Interest at 0.75% to 5.55% through December 2024. The County is eligible to receive reimbursement from the Federal Government for up to 45% of each scheduled interest payment, subject to federal funding levels. The proceeds were used for the expansion of the County mental health facility. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Mental Health Fund.	3,585,000	-	260,000	3,325,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$4,245,000 McHenry County Debt Certificates Series 2012B, due in annual installments of \$310,000 to \$1,245,000; Interest at 2.0% to 3.5% through January 2022. The proceeds were used to currently refund Series 2003A debt certificates and to advance refund Series 2005A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 4,245,000	\$ -	\$ 1,245,000	\$ 3,000,000
Total Debt Certificates - Governmental Activities	<u>\$ 46,205,000</u>	<u>\$ -</u>	<u>\$ 9,330,000</u>	<u>\$ 36,875,000</u>

Capital Leases – Business-Type Activities

Avaya Lease 11-16

\$70,472 capital lease, monthly principal and interest payments of \$1,264 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Valley Hi Fund.

	\$ <u>29,934</u>	\$ <u>-</u>	\$ <u>14,474</u>	\$ <u>15,460</u>
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Capital leases have resulted in the acquisition of \$70,472 of capital assets (equipment), which have accumulated depreciation of \$56,378.

Long-term obligations outstanding (excluding compensated absences, bond issuance premiums, and other post-employment benefit obligation) of the District (component unit) are as follows:

General Obligation Bonds – Governmental Activities (District)

McHenry County Conservation District

\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments of \$115,000 to \$1,785,000; interest at 4.7% to 5.5% through February 1, 2018. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.

	\$ 6,785,000	\$ -	\$ 165,000	\$ 6,620,000
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District) (Continued)				
McHenry County Conservation District				
\$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in annual installments of \$150,000 to \$1,410,000; interest at 4.25% to 5.0% through February 1, 2016. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	\$ 545,000	\$ -	\$ 195,000	\$ 350,000
McHenry County Conservation District				
\$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments of \$135,000 to \$9,850,000; interest at 3.0% to 5.0% through February 1, 2021. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	51,345,000	-	3,760,000	47,585,000
McHenry County Conservation District				
\$1,315,000 General Obligation Refunding Tax Bonds Series 2005B, due in periodic installments of \$5,000 to \$1,295,000; interest at 3.5% to 4.0% through February 1, 2014. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	1,295,000	-	1,295,000	-
McHenry County Conservation District				
\$73,000,000 General Obligation Bonds Series 2007, due in periodic installments of \$5,000 to \$13,695,000; interest at 4.0% to 5.125% through February 1, 2027. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.	72,995,000	-	-	72,995,000
Total General Obligation Bonds - Governmental Activities (District)	\$ <u>132,965,000</u>	\$ <u>-</u>	\$ <u>5,415,000</u>	\$ <u>127,550,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Installment Contract – Governmental Activities (District)				
McHenry County Conservation District				
\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments; balloon payment of principal and interest due November 1, 2016. The proceeds were used for the acquisition of land. Principal and interest payments will be reported in the District Debt Service Fund.	\$ <u>4,800,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,800,000</u>

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the County (primary government) for capital leases and debt certificates are as follows:

Fiscal Year	Governmental Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2015	\$ 641,018	\$ 35,128	\$ 676,146
2016	174,738	16,336	191,074
2017	79,915	8,606	88,521
2018	<u>85,405</u>	<u>3,114</u>	<u>88,519</u>
	\$ <u>981,076</u>	\$ <u>63,184</u>	\$ <u>1,044,260</u>
Fiscal Year	Business-Type Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2015	\$ 14,914	\$ 260	\$ 15,174
2016	<u>546</u>	<u>1</u>	<u>547</u>
	\$ <u>15,460</u>	\$ <u>261</u>	\$ <u>15,721</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

Fiscal Year	Governmental Activities	
	Debt Certificates	
	Principal	Interest
2015	\$ 9,085,000	\$ 1,330,758
2016	9,105,000	958,740
2017	9,020,000	579,375
2018	1,850,000	355,459
2019	1,915,000	283,621
2020-2024	5,550,000	548,521
2025	350,000	9,712
	<u>\$ 36,875,000</u>	<u>\$ 4,066,186</u>

Annual debt service requirements to maturity for the District (component unit) for general obligation bonds and installment contracts for governmental activities are as follows:

Fiscal Year	General Obligation Bonds		Installment Contract	
	Principal	Interest	Principal	Interest
2015	\$ 5,940,000	\$ 6,351,604	\$ -	\$ 120,000
2016	6,510,000	6,050,779	-	120,000
2017	7,110,000	5,721,254	4,800,000	70,356
2018	7,690,000	5,421,082	-	-
2019	8,370,000	5,032,119	-	-
2020-2024	52,765,000	18,137,093	-	-
2025-2027	39,165,000	4,031,355	-	-
	<u>\$ 127,550,000</u>	<u>\$ 50,745,286</u>	<u>\$ 4,800,000</u>	<u>\$ 310,356</u>

There are a number of limitations and restrictions contained in various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Conduit Debt

The County has participated in the issuance of Industrial Revenue Bonds and Recovery Zone Facility Bonds. These bonds were issued for various third parties for the purpose of constructing privately operated manufacturing and other related facilities within the County. These bonds are not direct or contingent liabilities of the County. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds, and the bondholders can look only to these sources for repayment. As of November 30, 2014, the balance of conduit debt outstanding is \$7,374,375.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 7 – Defined Benefit Pension Plans

A. Plan Description

The County and District's defined benefit pension plans provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County and District's plans are affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

B. Funding Policy

As set by statute, plan members are required to contribute a percentage of their annual salary. Plan member contribution rates are 4.5% for the Regular Plan, 7.5% for the Sheriff's Law Enforcement Personnel Plan (SLEP), and 4.5% for the District plan. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The required employer contribution rates for calendar year 2013 were 10.84% of annual covered payroll for the Regular Plan, 25.30% of annual covered payroll for the SLEP Plan, and 12.26% of annual covered payroll for the District plan. The County and District also contribute for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits and set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. Annual Pension Cost

For calendar year 2013, the County's annual pension costs of \$5,572,632 for the Regular Plan and \$3,183,722 for the SLEP plan were equal to the County's required and actual contributions. The District's annual pension cost of \$537,865 was equal to the District's required and actual contribution.

D. Actuarial Assumptions

The required contributions for calendar year 2013 were determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Each plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

E. Funded Status and Funding Progress

a. Regular Plan

As of December 31, 2013, the most recent actuarial valuation date, the Regular Plan was 84.46% funded. The actuarial accrued liability for benefits was \$110,469,328 and the actuarial value of assets was \$93,297,652, resulting in an underfunded actuarial accrued liability (UAAL) of \$17,171,676. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$51,408,043 and the ratio of the UAAL to the covered payroll was 33.40%.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 7 – Defined Benefit Pension Plans (Continued)

E. Funded Status and Funding Progress (Continued)

b. SLEP Plan

As of December 31, 2013, the most recent actuarial valuation date, the SLEP Plan was 56.69% funded. The actuarial accrued liability for benefits was \$59,276,587 and the actuarial value of assets was \$33,606,083, resulting in an underfunded actuarial accrued liability (UAAL) of \$25,670,504. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$12,583,883 and the ratio of the UAAL to the covered payroll was 204.00%.

c. District Plan

As of December 31, 2013, the most recent actuarial valuation date, the District Plan was 70.16% funded. The actuarial accrued liability for benefits was \$9,867,591 and the actuarial value of assets was \$6,923,337, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,944,254. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$4,387,150 and the ratio of the UAAL to the covered payroll was 67.11%.

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Trend Information

	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Regular Plan	12/31/13	\$ 5,572,632	100%	\$ -
	12/31/12	5,334,510	100%	-
	12/31/11	5,103,226	100%	-
SLEP	12/31/13	\$ 3,183,722	100%	\$ -
	12/31/12	2,755,659	100%	-
	12/31/11	2,690,209	100%	-
District	12/31/13	\$ 537,865	100%	\$ -
	12/31/12	507,761	100%	-
	12/31/11	493,067	100%	-

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 8 – Other Post Employment Benefits (OPEB)

A. Plan Description

a. County Plan

In addition to the pension benefits described above, the County also provides health and dental insurance benefits (OPEB) to eligible retirees and their spouses (plan members). The OPEB plan is a single-employer defined benefit OPEB plan and is administered by the County. The County is required by state statute to offer health and dental insurance benefits to eligible retirees and their spouses at the same premium-equivalent rate as active employees. The County utilizes premium-equivalents, as it is self-insured for health and dental claims, see note 10, Risk Management. The County's OPEB plan does not issue a stand-alone financial report.

b. District Plan

In addition to the pension benefits described above, the District also provides post employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. The District plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the District plan. The District plan does not issue a separate report.

B. Funding Policy

a. County Plan

The County Board establishes the level of health and dental benefits offered, as well as the level of retiree contributions and employer contributions. The County Board may amend the level of health and dental benefits offered or the contribution rates, by modifying the County's personnel policy or by negotiating the terms of union contracts. Plan members who are non-Medicare eligible are required to contribute between 65-80% of insurance premium-equivalents, while plan members who are Medicare eligible are required to contribute 100% of the premium-equivalents. The County finances employer contributions on a pay-as-you-go basis, meaning the County only contributes an amount equal to the employer's share of current year premium-equivalents, which range between 20-35% of premium-equivalents for members who are non-Medicare eligible and 0% of premium-equivalents for plan members who are Medicare eligible. For fiscal year 2014, plan members contributed \$1,220,983 and, on an age-adjusted basis, the County contributed \$742,231.

b. District Plan

The District provides pre and post-Medicare post employment health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the District's retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the District's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

a. County Plan

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution (ARC)	\$ 1,736,165
Interest on net OPEB obligation	225,925
Adjustment to annual required contribution	<u>(230,239)</u>
Annual OPEB cost (expense)	1,731,851
Contributions made	<u>(742,231)</u>
Increase in net OPEB obligation	989,620
Net OPEB obligation - beginning of year	<u>5,648,119</u>
Net OPEB obligation - end of year	<u><u>\$ 6,637,739</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
11/30/14	\$ 1,731,851	\$ 742,231	42.86%	\$ 6,637,739
11/30/13	1,671,548	163,976	9.81	5,648,119
11/30/12	1,716,155	816,483	47.58	4,140,547

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

b. District Plan

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution (ARC)	\$ 15,005
Interest on net OPEB obligation	1,832
Adjustment to annual required contribution	<u>(1,527)</u>
Annual OPEB cost (expense)	15,310
Contributions made	<u>(9,346)</u>
Increase in net OPEB obligation	5,964
Net OPEB obligation - beginning of year	<u>45,796</u>
Net OPEB obligation - end of year	<u><u>\$ 51,760</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
3/31/14	\$ 15,310	\$ 9,346	61.05%	\$ 51,760
3/31/13	15,271	9,346	61.20	45,796
3/31/12	15,300	9,346	61.08	39,871

D. Funded Status and Funding Progress

a. County Plan

As of August 1, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$15,797,805 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,797,805. The covered payroll (annual payroll of active employees covered by the plan) was \$65,612,697, and the ratio of the UAAL to the covered payroll was 24.08%.

b. District Plan

As of March 31, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$145,721 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$145,721. The covered payroll (annual payroll of active employees covered by the plan) was \$4,160,902, and the ratio of the UAAL to the covered payroll was 3.50%.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

D. Funded Status and Funding Progress (Continued)

b. District Plan (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County/District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the County/District and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

a. County Plan

In the August 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate between 3.0% - 7.5% initially, with an ultimate rate of 5.0% after 7 years, projected salary increases of 3.0% a year, and annual inflation of 3.0%. Since the County is only financing employer contributions on a pay-as-you-go basis, the actuarial value of assets is \$0. The UAAL is being amortized using level dollar amounts on an open 30 year basis.

b. District Plan

In the March 31, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, an annual healthcare cost trend rate of 8.0% initially, reduced to an ultimate rate of 6.0%, projected salary increases of 4.0% a year, and annual inflation of 3.0%. The actuarial value of assets was not determined, as the District has not advance funded its obligation. The UAAL is being amortized as a level percentage of projected payroll on an open 30 year basis.

Note 9 – Contingent Liabilities

The County (primary government) is a defendant in various lawsuits, wherein substantial amounts are claimed. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters could have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 10 – Risk Management

The County and District are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; health care and injuries to employees; and natural disasters. The County accounts for its risk financing in the Health Insurance Fund (internal service fund) and Insurance Loss Fund (nonmajor special revenue fund).

The Insurance Loss Fund provides coverage for up to a maximum of \$650,000 for each worker's compensation claim, \$250,000 for each general liability claim, and \$25,000 for each liability or property damage claim. The County purchases commercial insurance for claims in excess of coverage provided and for other risks of loss. All funds of the County are covered by the Insurance Loss Fund.

The County is self-insured for health and dental claims, which are accounted for in the Health Insurance Fund. The County has \$195,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 135% of total expected annual claims. The County utilizes a third-party administrator to process the claims. The County reimburses the third-party administrator for the claims plus a processing fee. The Health Insurance Fund is supported by payments from other County funds, those that account for personnel costs, based on estimated premium-equivalent amounts.

The claims and judgments liability of \$5,157,078 at November 30, 2014 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability for claims and judgments also includes an estimate of the claims incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

Changes in claims and judgments liability in fiscal years 2014 and 2013 were as follows:

	<u>Balance December 1</u>	<u>Incurred Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance November 30</u>
2013 - 2014	\$ 6,799,671	\$ 17,171,403	\$ 18,813,996	\$ 5,157,078
2012 - 2013	\$ 5,225,152	\$ 19,850,919	\$ 18,276,400	\$ 6,799,671

The District participates in the Park District Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims, and public officials' liability claims of its members.

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 10 – Risk Management (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the bylaws of PDRMA, assessment factors based on past member experience, and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2013, the total equity of PDRMA was \$40,284,346. For the year ended December 31, 2013, the increase in net position of PDRMA was \$3,559,692. The District made \$219,226 of payments to PDRMA during the year ended March 31, 2014.

In the event of a liability loss exceeding \$21,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

The District purchases employee health insurance from third-party insurance company providers.

Note 11 – Contractual Commitments

As of year-end, the County had entered into various contracts for road and bridge construction and repairs, building projects, and other projects, as shown below. No future financing is required.

	<u>Contract Amount</u>	<u>Remaining Balance</u>
Road and bridge construction and repairs	\$ 62,001,012	\$ 28,114,677
Building projects	408,671	408,671
Other projects	<u>9,560,822</u>	<u>2,582,130</u>
	<u>\$ 71,970,505</u>	<u>\$ 31,105,478</u>

As of year-end, encumbrances for contractual commitments is summarized as follows:

General Fund	\$ 3,323,753	\$ 1,081,931
County Mental Health Fund	20,842	20,842
Nonmajor Governmental Funds	66,780,312	29,409,401
Valley Hi Fund	421,571	261,552
911 Fund	<u>1,424,027</u>	<u>331,752</u>
	<u>\$ 71,970,505</u>	<u>\$ 31,105,478</u>

Note 12 – Enterprise Funds – Segment Information

The County maintains one major enterprise fund which accounts for the activities of the Valley Hi Nursing Home. The fund is intended to be self-supporting through resident fees, intergovernmental revenues (mainly Medicare), and real estate taxes.

The other enterprise fund maintained by the County is the 911 fund, which is supported by charges to participating members. Since the 911 fund is the only nonmajor Enterprise Fund, segment information is not presented. All the 911 fund information is included in the basic financial statements.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 13 – Fund Balance Restricted for Future Grant/Program Expenditure

The County receives grant funds from various government agencies. The funds are restricted until expended in accordance with the various restrictions imposed by the grantor.

Note 14 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) as of November 30, 2014 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From/To Other Funds Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Nonmajor Governmental Funds	\$ 11,930	\$ -
General Fund	Valley Hi Fund	385	-
General Fund	911 Fund	262	-
Nonmajor Governmental Funds	General Fund	4,023	-
Nonmajor Governmental Funds	County Mental Health Fund	57,135	-
Nonmajor Governmental Funds	IMRF Fund	637,500	-
Nonmajor Governmental Funds	Valley Hi Fund	192,043	-
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	1,772,905	-
Internal Service Fund	General Fund	943,164	-
Internal Service Fund	County Mental Health Fund	11,349	-
Internal Service Fund	Nonmajor Governmental Funds	140,876	-
Internal Service Fund	Valley Hi Fund	108,864	-
Internal Service Fund	911 Fund	5,169	-
Subtotal - Fund Financial Statements		3,885,605	\$ <u>-</u>
Less: Fund eliminations		(6,835,209)	
Add: Internal service fund activities related to enterprise funds		1,132,615	
Add: Advance from general fund to IMRF fund		3,064,140	
Add: Advance from general fund to nonmajor governmental funds		192,187	
Total Internal Balances - Government-Wide Statement of Net Position		\$ <u>1,439,338</u>	

The principal reason for these interfund balances is a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 14 – Interfund Balances and Transfers (Continued)

A. Interfund Balances (Continued)

The General Fund is advancing funds to the IMRF Fund, for the purpose of providing temporary funding for contractually required expenditures that exceed currently available fund resources. Under the agreement, the General Fund may advance up to \$3,347,883. The advance is non-interest bearing, with repayments to begin in 2016 and end by 2020. The amount of the advance outstanding as of November 30, 2014 is \$3,064,140.

Additionally, the General Fund is advancing funds to two nonmajor special revenue funds, for the purchase and development of a judiciary and court related project. Under the agreement, the General Fund may advance up to \$3,500,000. The advances are non-interest bearing, with quarterly repayments of \$106,027 to \$107,143, beginning January 2008 through December 2015. The amount of the advance outstanding as of November 30, 2014 is \$192,187.

B. Transfers

Interfund transfers for the year ended November 30, 2014 are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 9,000	Administrative expenditures
General Fund	Nonmajor Governmental Funds	454	Working Cash transfers
Nonmajor Governmental Funds	General Fund	4,414,911	Debt service payments
Nonmajor Governmental Funds	General Fund	23,188	Closeout of capital project
Nonmajor Governmental Funds	General Fund	8,205	Administrative expenditures
Nonmajor Governmental Funds	County Mental Health Fund	415,741	Debt service payments
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	9,842,946	Use of restricted sales taxes
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	<u>6,197,265</u>	Debt service payments
Subtotal - Governmental Fund Financial Statements		20,911,710	
Less: Fund eliminations		<u>(20,911,710)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 15 – Net Position/Fund Balance

Net position reported on the government-wide statement of net position as of November 30, 2014 includes the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>
Net investment in capital assets			
Land	\$ 63,410,984	\$ 6,000	\$ 63,416,984
Construction in progress	57,873,202	198,158	58,071,360
Other capital assets, net of accumulated depreciation/amortization	179,744,254	13,615,313	193,359,567
Less: related long-term debt outstanding	<u>(30,164,776)</u>	<u>(15,460)</u>	<u>(30,180,236)</u>
Total net investment in capital assets	<u>270,863,664</u>	<u>13,804,011</u>	<u>284,667,675</u>
Restricted			
Recorder's Office	2,025,439	-	2,025,439
Treasurer's Office	462,058	-	462,058
Liability insurance	15,962,989	-	15,962,989
Geographic information systems	1,702,210	-	1,702,210
County Clerk's Office	285,944	-	285,944
Transportation	64,782,555	-	64,782,555
Public safety	539,912	-	539,912
Judiciary and court related	2,196,506	-	2,196,506
Public health and welfare	16,012,539	-	16,012,539
Employee benefits	2,572,824	-	2,572,824
Public Building Commission	38,301	-	38,301
Other	46,754	-	46,754
Working cash - permanently restricted	<u>800,661</u>	<u>-</u>	<u>800,661</u>
Total restricted	<u>107,428,692</u>	<u>-</u>	<u>107,428,692</u>
Unrestricted	<u>32,142,348</u>	<u>43,875,013</u>	<u>76,017,361</u>
Total net position	<u>\$ 410,434,704</u>	<u>\$ 57,679,024</u>	<u>\$ 468,113,728</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 15 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2014 includes the following:

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Total
Nonspendable					
Inventory	\$ 164,303	\$ 2,475	\$ -	\$ 441,007	\$ 607,785
Long-term portion - advance to other funds	3,064,140	-	-	-	3,064,140
Working cash principal	-	-	-	800,661	800,661
	<u>3,228,443</u>	<u>2,475</u>	<u>-</u>	<u>1,241,668</u>	<u>4,472,586</u>
Restricted					
Recorder's Office	44,335	-	-	1,980,670	2,025,005
Regional Office of Education	24,191	-	-	-	24,191
Treasurer's Office	-	-	-	462,058	462,058
Liability insurance	-	-	-	15,962,989	15,962,989
Geographic information systems	-	-	-	1,702,210	1,702,210
County Clerk's Office	-	-	-	97,091	97,091
Transportation programs	-	-	-	63,672,759	63,672,759
Sheriff's Office	358,559	-	-	93,546	452,105
Coroner's Office	-	-	-	86,075	86,075
Court Services/Probation programs	-	-	-	673,930	673,930
Special Court programs	-	-	-	548,803	548,803
Circuit Clerk automation	-	-	-	332,898	332,898
Other Circuit Clerk programs	-	-	-	323,906	323,906
Law library	-	-	-	210,358	210,358
Other judiciary & court programs	14,751	-	-	76,955	91,706
Mental health programs	-	9,503,074	-	-	9,503,074
Senior service programs	-	-	-	2,845,230	2,845,230
Veterans' assistance programs	-	-	-	576,073	576,073
Tuberculosis care and treatment	-	-	-	547,633	547,633
Workforce network programs	-	-	-	373,495	373,495
Dental care clinic	-	-	-	220,549	220,549
Health Department grants	249,470	-	-	-	249,470
Other public health programs	-	-	-	32,521	32,521
Social security contributions	-	-	-	2,572,824	2,572,824
Public Building Commission	-	-	-	38,301	38,301
	<u>691,306</u>	<u>9,503,074</u>	<u>-</u>	<u>93,430,874</u>	<u>103,625,254</u>

(Continued)

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 15 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2014 includes the following (Continued):

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Total
Committed					
Treasurer's Office	\$ -	\$ -	\$ -	\$ 209,708	\$ 209,708
Revolving Loan Program	-	-	-	1,863,543	1,863,543
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,073,251</u>	<u>2,073,251</u>
Assigned					
Subsequent year's budget	3,328,275	-	-	-	3,328,275
Information technology	897,413	-	-	-	897,413
Building improvements	138,608	-	-	-	138,608
Furniture & fixtures	60,000	-	-	-	60,000
Facilities management	39,927	-	-	-	39,927
Planning & development	277,415	-	-	-	277,415
Sheriff's Office	98,513	-	-	-	98,513
Coroner's Office	31,325	-	-	-	31,325
Other	61,437	-	-	-	61,437
	<u>4,932,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,932,913</u>
Unassigned (deficit)	<u>39,848,586</u>	<u>-</u>	<u>(1,541,451)</u>	<u>-</u>	<u>38,307,135</u>
Total fund balance	\$ <u>48,701,248</u>	\$ <u>9,505,549</u>	\$ <u>(1,541,451)</u>	\$ <u>96,745,793</u>	\$ <u>153,411,139</u>

Note 16 - Fund Deficit

The following fund reported a deficit as of November 30, 2014:

Fund	Fund Type	Deficit Amount
Illinois Municipal Retirement Fund	Major Special Revenue Fund	\$ (1,541,451)

The deficit in the Illinois Municipal Retirement Fund is due to contractually required expenditures exceeding currently available fund resources. The fund deficit is being temporarily financed by an advance from the General Fund. The fund deficit will be eliminated as future revenues are used to repay the advance beginning in 2016 through 2020. See note 14 for more detail on the advance.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2014

Note 17 – New Governmental Accounting Standard

Following is a summary of a new Statement issued by the Governmental Accounting Standards Board (GASB), which the County will have to implement in a future year:

Statement No. 68 – “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27”. This Statement replaces existing accounting and financial reporting standards for defined benefit pension plans. Specifically, this new accounting standard will affect the County’s plans that are affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan, as described in Note 7.

Under the new Statement, in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting, the County will be required to recognize a liability equal to the net pension liability, which is defined as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net position.

Additionally, this Statement requires that actuarial valuations of the total pension liability are required to be performed at least every two years, as well as identifies the actuarial cost methods and certain other assumptions and requirements that must be used in the preparation of the actuarial valuation.

The County is required to implement this Statement for the year ending November 30, 2015.

Note 18 - Subsequent Events

In January 2015, the County issued debt certificates Series 2015 for \$15,755,000 to currently refund debt certificates Series 2006A and Series 2007B. The new debt certificates are due in periodic installments, with interest at 2.0% to 4.0%, through December 2021. The refunding was undertaken to reduce total debt service payments over the next seven years by approximately \$1,062,000 and resulted in an economic gain of approximately \$972,000.

In February 2015, the County initiated a capital lease for \$1,691,154 to acquire desktop and laptop computer equipment. The capital lease is payable in annual installments of \$351,967, with interest at 1.9%. The lease term runs through May 2020.

REQUIRED SUPPLEMENTARY INFORMATION

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 23,024,190	\$ 23,083,458	\$ 17,615,106	\$ (5,468,352)
Licenses and permits	1,047,000	1,047,000	1,133,987	86,987
Fines and forfeitures	1,019,500	1,019,500	1,014,225	(5,275)
Grants, contributions, and intergovernmental	3,842,595	4,819,024	4,727,322	(91,702)
Property taxes	38,840,500	38,840,500	38,782,842	(57,658)
Sales taxes	9,220,000	9,220,000	9,864,500	644,500
State income taxes	6,272,000	6,272,000	6,265,092	(6,908)
Tax transfer stamps	1,650,000	1,850,000	1,833,392	(16,608)
Other taxes	1,878,000	1,878,000	2,152,662	274,662
Investment income	97,075	97,075	89,889	(7,186)
Miscellaneous	241,545	241,545	254,378	12,833
Total Revenues	<u>87,132,405</u>	<u>88,368,102</u>	<u>83,733,395</u>	<u>(4,634,707)</u>
EXPENDITURES				
Current				
General and administrative	29,818,351	29,888,298	27,064,009	2,824,289
Community development	1,408,119	1,652,597	1,527,771	124,826
Public safety	34,170,669	34,345,783	33,580,818	764,965
Judiciary and court related	9,853,118	9,999,271	9,624,006	375,265
Public health and welfare	7,191,769	7,569,884	6,820,989	748,895
Capital outlay	1,030,636	4,878,191	3,439,232	1,438,959
Debt service				
Principal retirement	987,974	1,082,755	757,655	325,100
Interest and fiscal charges	42,699	42,697	55,265	(12,568)
Total Expenditures	<u>84,503,335</u>	<u>89,459,476</u>	<u>82,869,745</u>	<u>6,589,731</u>
Excess (deficiency) of revenues over expenditures	<u>2,629,070</u>	<u>(1,091,374)</u>	<u>863,650</u>	<u>1,955,024</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,350	10,350	9,454	(896)
Transfers out	(4,414,106)	(4,450,489)	(4,446,304)	4,185
Capital leases issued	-	402,975	375,533	(27,442)
Total Other Financing Sources (Uses)	<u>(4,403,756)</u>	<u>(4,037,164)</u>	<u>(4,061,317)</u>	<u>(24,153)</u>
Net Change in Fund Balance	\$ <u>(1,774,686)</u>	\$ <u>(5,128,538)</u>	(3,197,667)	\$ <u>1,930,871</u>
Fund Balance - Beginning of Year			<u>51,898,915</u>	
Fund Balance - End of Year			\$ <u>48,701,248</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY MENTAL HEALTH FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 125,237	\$ 125,237	\$ 178,871	\$ 53,634
Property taxes	10,900,000	10,900,000	10,744,674	(155,326)
Investment income	8,150	8,150	12,441	4,291
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>23,380</u>	<u>20,880</u>
Total Revenues	<u>11,035,887</u>	<u>11,035,887</u>	<u>10,959,366</u>	<u>(76,521)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,446,021	1,446,021	1,010,401	435,620
Contractual services	9,567,960	9,570,931	8,293,361	1,277,570
Commodities	111,165	108,194	23,475	84,719
Capital outlay	<u>70,000</u>	<u>70,000</u>	<u>714</u>	<u>69,286</u>
Total Expenditures	<u>11,195,146</u>	<u>11,195,146</u>	<u>9,327,951</u>	<u>1,867,195</u>
Excess (deficiency) of revenues over expenditures	(159,259)	(159,259)	1,631,415	1,790,674
OTHER FINANCING USES				
Transfers out	<u>(415,741)</u>	<u>(415,741)</u>	<u>(415,741)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>(575,000)</u></u>	\$ <u><u>(575,000)</u></u>	1,215,674	\$ <u><u>1,790,674</u></u>
Fund Balance - Beginning of Year			<u>8,289,875</u>	
Fund Balance - End of Year			\$ <u><u>9,505,549</u></u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 6,795,000	\$ 6,795,000	\$ 6,784,982	\$ (10,018)
Other taxes				
Personal property replacement tax	130,847	130,847	130,771	(76)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>2,900</u>	<u>900</u>
Total Revenues	<u>6,927,847</u>	<u>6,927,847</u>	<u>6,918,653</u>	<u>(9,194)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	920,671	920,671	917,955	2,716
Community development	139,195	139,195	138,784	411
Transportation	346,396	346,396	345,374	1,022
Public safety	3,691,044	3,691,044	3,680,155	10,889
Judiciary and court related	992,343	992,343	989,415	2,928
Public health and welfare	<u>1,185,805</u>	<u>1,185,805</u>	<u>1,182,307</u>	<u>3,498</u>
Total Expenditures	<u>7,275,454</u>	<u>7,275,454</u>	<u>7,253,990</u>	<u>21,464</u>
Net Change in Fund Balance	<u>\$ (347,607)</u>	<u>\$ (347,607)</u>	(335,337)	<u>\$ 12,270</u>
Fund Deficit - Beginning of Year			<u>(1,206,114)</u>	
Fund Deficit - End of Year			<u>\$ (1,541,451)</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
November 30, 2014

Regular Plan							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)		Percentage of
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)				((2-1)/3)
12/31/2013	\$ 93,297,652	\$ 110,469,328	\$ 17,171,676	84.46 %	\$ 51,408,043		33.40 %
12/31/2012	85,235,771	106,849,241	21,613,470	79.77	50,564,074		42.74
12/31/2011	81,297,092	102,169,163	20,872,071	79.57	49,642,272		42.04
12/31/2010	78,797,858	97,995,090	19,197,232	80.41	48,863,841		39.29
12/31/2009	74,806,316	91,280,346	16,474,030	81.95	47,235,973		34.88
12/31/2008	69,717,859	82,892,396	13,174,537	84.11	44,550,297		29.57
12/31/2007	81,125,258	80,139,699	(985,559)	101.23	41,301,574		(2.39)
12/31/2006	72,662,657	72,898,658	236,001	99.68	37,686,288		0.63
12/31/2005	64,315,033	65,315,467	1,000,434	98.47	34,406,368		2.91
12/31/2004	60,393,684	63,333,487	2,939,803	95.36	32,248,235		9.12

Sheriff's Law Enforcement Personnel Plan (SLEP)

							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)		Percentage of
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)				((2-1)/3)
12/31/2013	\$ 33,606,083	\$ 59,276,587	\$ 25,670,504	56.69 %	\$ 12,583,883		204.00 %
12/31/2012	28,192,668	52,906,778	24,714,110	53.29	11,666,635		211.84
12/31/2011	27,148,406	53,163,644	26,015,238	51.07	11,809,523		220.29
12/31/2010	26,503,330	50,979,092	24,475,762	51.99	12,052,832		203.07
12/31/2009	25,980,534	48,426,943	22,446,409	53.65	11,593,816		193.61
12/31/2008	21,943,584	43,151,340	21,207,756	50.85	11,099,363		191.07
12/31/2007	28,010,321	41,050,615	13,040,294	68.23	10,739,633		121.42
12/31/2006	23,537,231	37,103,030	13,565,799	63.44	10,119,707		134.05
12/31/2005	23,063,831	35,063,778	11,999,947	65.78	9,711,808		123.56
12/31/2004	21,752,530	31,037,611	9,285,081	70.08	9,452,233		98.23

Conservation District Plan (Component Unit)

							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)		Percentage of
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)				((2-1)/3)
12/31/2013	\$ 6,923,337	\$ 9,867,591	\$ 2,944,254	70.16 %	\$ 4,387,150		67.11 %
12/31/2012	6,563,413	9,610,061	3,046,648	68.30	4,328,735		70.38
12/31/2011	5,837,449	8,726,340	2,888,891	66.89	4,160,902		69.43
12/31/2010	5,321,250	7,966,498	2,645,248	66.80	4,086,677		64.73
12/31/2009	4,546,970	7,288,433	2,741,463	62.39	4,089,649		67.03
12/31/2008	4,007,472	6,142,502	2,135,030	65.24	3,669,347		58.19
12/31/2007	3,779,647	5,542,087	1,762,440	68.20	3,388,994		52.00
12/31/2006	3,106,899	4,756,881	1,649,982	65.31	3,038,721		54.30
12/31/2005	3,020,937	4,511,798	1,490,861	66.96	2,948,830		50.56
12/31/2004	2,514,944	3,716,034	1,201,090	67.68	2,540,270		47.28

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
November 30, 2014

County Plan							UAAL as a Percentage of	
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll		Covered Payroll ((2-1)/3)	
8/1/2011	\$ -	\$ 15,797,805	\$ 15,797,805	- %	\$ 65,612,697		24.08	%
8/1/2009	-	14,687,870	14,687,870	-	62,919,438		23.34	
8/1/2007	-	12,127,965	12,127,965	-	55,354,688		21.91	

Conservation District Plan (Component Unit)

							UAAL as a Percentage of	
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll		Covered Payroll ((2-1)/3)	
3/31/2012	\$ -	\$ 145,721	\$ 145,721	- %	\$ 4,160,902		3.50	%
3/31/2009	-	131,224	131,224	-	4,046,737		3.24	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2014

Note 1 – Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at fiscal year-end.

Note 2 – Excess of Expenditures Over Appropriations

No major funds had an excess of expenditures over appropriations for the year ended November 30, 2014.

Note 3 – IMRF Information

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$110,391,572 for the Regular Plan, \$42,632,855 for the SLEP Plan, and \$7,984,646 for the District Plan. On a market basis, the funded ratio would be 99.93% for the Regular Plan, 71.92% for the SLEP Plan, and 80.92% for the District Plan.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the County and the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for and report all financial resources not accounted for and reported in another fund.

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 165,000	\$ 165,000	\$ 153,059	\$ (11,941)
Tax redemption fees	160,000	160,000	112,282	(47,718)
Recording fees	1,362,100	1,362,100	911,887	(450,213)
Penalties/fees on delinquent taxes	1,850,000	1,850,000	1,553,153	(296,847)
Cable television franchise fees	500,000	500,000	555,637	55,637
Assessor's salary reimbursement	55,867	55,867	51,500	(4,367)
Russel Ct facility - rent & utilization fee	-	59,268	55,344	(3,924)
Other fees and charges	12,300	12,300	11,141	(1,159)
Community Development				
Subdivision review fees	5,000	5,000	-	(5,000)
Maps and publications fees	1,000	1,000	1,481	481
Solid waster tipping fees	21,000	21,000	21,000	-
Other fees and charges	11,500	11,500	5,358	(6,142)
Public Safety				
Sheriff fees - circuit court	400,000	400,000	361,263	(38,737)
Sheriff fees - photocopies	6,000	6,000	11,508	5,508
Sheriff fees - foreign courts	35,000	35,000	30,864	(4,136)
Foreclosures	45,000	45,000	-	(45,000)
Court security fees	700,000	700,000	606,893	(93,107)
Jail space rental	10,800,000	10,800,000	6,951,957	(3,848,043)
Payphones	145,000	145,000	140,970	(4,030)
Dispatching fee	210,000	210,000	252,978	42,978
Squad car replacement fee	30,000	30,000	22,947	(7,053)
Sheriff salary reimbursement	-	-	59,638	59,638
Other fees and charges	60,825	60,825	84,060	23,235
Judiciary and Court Related				
10% bond earnings	395,000	395,000	315,826	(79,174)
Circuit clerk fees	3,405,000	3,405,000	2,933,281	(471,719)
County court fees	200,000	200,000	189,491	(10,509)
Court services salary reimbursements	714,135	714,135	659,185	(54,950)
State's attorney salary reimbursements	166,508	166,508	144,677	(21,831)
State's attorney fees	63,000	63,000	70,054	7,054
Public aid	10,000	10,000	6,197	(3,803)
Periodic imprisonment fees	13,000	13,000	10,388	(2,612)
Public defender salary reimbursement	99,955	99,955	99,895	(60)
Public defenders fees	80,000	80,000	46,921	(33,079)
Other fees and charges	52,175	52,175	44,843	(7,332)

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CHARGES FOR SERVICES (Continued)				
Public Health and Welfare				
Animal control tags	\$ 636,500	\$ 636,500	\$ 669,264	\$ 32,764
Veterinary fees	58,000	58,000	58,617	617
Nursing fees	84,000	84,000	53,225	(30,775)
Health review fees	5,000	5,000	2,775	(2,225)
Health promotion	13,000	13,000	10,953	(2,047)
Vital record fees	58,000	58,000	60,663	2,663
Subdivision review fees	4,000	4,000	250	(3,750)
Medicare	9,200	9,200	3,958	(5,242)
Public aid	200,000	200,000	121,658	(78,342)
Private pay	2,000	2,000	-	(2,000)
Vision and hearing fees	50,000	50,000	39,142	(10,858)
Solid waster tipping fees	18,000	18,000	21,692	3,692
Other fees and charges	112,125	112,125	97,231	(14,894)
	<u>23,024,190</u>	<u>23,083,458</u>	<u>17,615,106</u>	<u>(5,468,352)</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	105,000	105,000	119,000	14,000
Amusement licenses	10,000	10,000	4,865	(5,135)
Community Development				
Building permits	250,000	250,000	280,406	30,406
Zoning permits	60,000	60,000	89,493	29,493
Stormwater permits	75,000	75,000	97,618	22,618
Public Health and Welfare				
Septic and well permits	85,000	85,000	90,915	5,915
Health licenses	450,000	450,000	443,084	(6,916)
Hauler license fees	12,000	12,000	8,606	(3,394)
	<u>1,047,000</u>	<u>1,047,000</u>	<u>1,133,987</u>	<u>86,987</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	10,000	10,000	10,498	498
Judiciary and Court Related				
Fines and bond forfeitures	872,000	872,000	879,493	7,493
County drug fines	100,000	100,000	95,532	(4,468)
Public Health and Welfare				
Veterinary fines	37,500	37,500	28,702	(8,798)
	<u>1,019,500</u>	<u>1,019,500</u>	<u>1,014,225</u>	<u>(5,275)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GRANTS, CONTRIBUTIONS, AND INTERGOVERNMENTAL				
General and Administrative				
Election-related grants	\$ 43,500	\$ 43,500	\$ 82,485	\$ 38,985
Regional Office of Education grants	125,000	160,373	132,480	(27,893)
Energy efficiency grants	-	457,094	507,976	50,882
Community Development				
Planning and development grants	-	15,400	-	(15,400)
Public Safety				
Sheriff's Office - grants	-	178,022	264,319	86,297
Emergency Management - grants	81,238	89,228	86,336	(2,892)
Judiciary and Court Related				
Dependent children/parent reimbursements	30,000	30,000	34,511	4,511
State's Attorney - grants	27,100	27,100	28,455	1,355
Court Administration - grants	5,000	5,000	4,000	(1,000)
Public Health and Welfare				
Health department grants -				
Nursing	3,029,269	3,241,161	3,211,680	(29,481)
Environmental	146,488	217,146	223,079	5,933
Administration	55,000	55,000	55,233	233
IDPH vaccines	300,000	300,000	96,768	(203,232)
Total Grants, Contributions, and Intergovernmental	<u>3,842,595</u>	<u>4,819,024</u>	<u>4,727,322</u>	<u>(91,702)</u>
PROPERTY TAXES	<u>38,840,500</u>	<u>38,840,500</u>	<u>38,782,842</u>	<u>(57,658)</u>
SALES TAXES	<u>9,220,000</u>	<u>9,220,000</u>	<u>9,864,500</u>	<u>644,500</u>
STATE INCOME TAXES	<u>6,272,000</u>	<u>6,272,000</u>	<u>6,265,092</u>	<u>(6,908)</u>
TAX TRANSFER STAMPS	<u>1,650,000</u>	<u>1,850,000</u>	<u>1,833,392</u>	<u>(16,608)</u>
OTHER TAXES				
Local use tax	1,066,000	1,066,000	1,256,589	190,589
Personal property replacement tax	722,000	722,000	721,137	(863)
Gambling taxes	90,000	90,000	174,936	84,936
Total Other Taxes	<u>1,878,000</u>	<u>1,878,000</u>	<u>2,152,662</u>	<u>274,662</u>
INVESTMENT INCOME				
Interest	<u>97,075</u>	<u>97,075</u>	<u>89,889</u>	<u>(7,186)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
MISCELLANEOUS				
General and Administrative				
Tax sale indemnity proceeds	\$ 165,000	\$ 165,000	\$ 136,740	\$ (28,260)
Proceeds from sale of capital assets	-	-	51,424	51,424
Regional Office of Education film library proceeds	60,000	60,000	58,023	(1,977)
Other income	<u>16,545</u>	<u>16,545</u>	<u>8,191</u>	<u>(8,354)</u>
Total Miscellaneous	<u>241,545</u>	<u>241,545</u>	<u>254,378</u>	<u>12,833</u>
TOTAL REVENUES	<u>\$ 87,132,405</u>	<u>\$ 88,368,102</u>	<u>\$ 83,733,395</u>	<u>\$ (4,634,707)</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 572,637	\$ 601,297	\$ 601,292	\$ 5
Contractual services	175,300	175,300	158,013	17,287
Commodities	<u>17,950</u>	<u>17,950</u>	<u>9,997</u>	<u>7,953</u>
Total Administration	<u>765,887</u>	<u>794,547</u>	<u>769,302</u>	<u>25,245</u>
Auditor				
Personnel services	373,168	383,831	383,826	5
Contractual services	5,650	5,650	5,575	75
Commodities	<u>12,299</u>	<u>13,550</u>	<u>10,162</u>	<u>3,388</u>
Total Auditor	<u>391,117</u>	<u>403,031</u>	<u>399,563</u>	<u>3,468</u>
County Board and Liquor Commission				
Personnel services	612,695	614,949	614,944	5
Contractual services	70,632	70,632	59,469	11,163
Commodities	<u>32,000</u>	<u>32,000</u>	<u>30,524</u>	<u>1,476</u>
Total County Board and Liquor Commission	<u>715,327</u>	<u>717,581</u>	<u>704,937</u>	<u>12,644</u>
County Clerk				
Personnel services	431,974	450,269	450,264	5
Contractual services	7,050	7,050	1,791	5,259
Commodities	<u>9,100</u>	<u>9,100</u>	<u>6,752</u>	<u>2,348</u>
Total County Clerk	<u>448,124</u>	<u>466,419</u>	<u>458,807</u>	<u>7,612</u>
County Clerk - Elections				
Personnel services	583,344	624,634	623,515	1,119
Contractual services	303,350	303,350	289,286	14,064
Commodities	<u>371,290</u>	<u>371,290</u>	<u>296,391</u>	<u>74,899</u>
Total County Clerk - Elections	<u>1,257,984</u>	<u>1,299,274</u>	<u>1,209,192</u>	<u>90,082</u>
Educational Service Region				
Personnel services	235,558	214,915	215,247	(332)
Contractual services	34,000	60,215	54,922	5,293
Commodities	<u>46,158</u>	<u>77,093</u>	<u>64,126</u>	<u>12,967</u>
Total Educational Service Region	<u>315,716</u>	<u>352,223</u>	<u>334,295</u>	<u>17,928</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Facilities Management				
Personnel services	\$ 1,131,251	\$ 1,137,466	\$ 1,137,461	\$ 5
Contractual services	1,676,318	1,687,328	1,615,566	71,762
Commodities	<u>137,511</u>	<u>141,328</u>	<u>128,126</u>	<u>13,202</u>
Total Facilities Management	<u>2,945,080</u>	<u>2,966,122</u>	<u>2,881,153</u>	<u>84,969</u>
Human Resources				
Personnel services	272,122	272,122	270,995	1,127
Contractual services	264,130	264,130	262,640	1,490
Commodities	<u>6,250</u>	<u>6,250</u>	<u>1,600</u>	<u>4,650</u>
Total Human Resources	<u>542,502</u>	<u>542,502</u>	<u>535,235</u>	<u>7,267</u>
Information Technology				
Personnel services	1,804,258	1,804,258	1,803,117	1,141
Contractual services	1,366,879	1,337,143	1,211,706	125,437
Commodities	<u>76,477</u>	<u>92,477</u>	<u>75,895</u>	<u>16,582</u>
Total Information Technology	<u>3,247,614</u>	<u>3,233,878</u>	<u>3,090,718</u>	<u>143,160</u>
Merit Commission				
Personnel services	5,096	5,096	1,884	3,212
Contractual services	54,000	54,000	13,548	40,452
Commodities	<u>900</u>	<u>900</u>	<u>279</u>	<u>621</u>
Total Merit Commission	<u>59,996</u>	<u>59,996</u>	<u>15,711</u>	<u>44,285</u>
Purchasing				
Personnel services	241,725	241,725	236,059	5,666
Contractual services	13,130	25,981	21,710	4,271
Commodities	<u>422,735</u>	<u>417,735</u>	<u>356,400</u>	<u>61,335</u>
Total Purchasing	<u>677,590</u>	<u>685,441</u>	<u>614,169</u>	<u>71,272</u>
Recorder				
Personnel services	947,699	947,699	848,125	99,574
Contractual services	36,450	36,450	21,111	15,339
Commodities	<u>1,143,510</u>	<u>1,343,510</u>	<u>1,237,284</u>	<u>106,226</u>
Total Recorder	<u>2,127,659</u>	<u>2,327,659</u>	<u>2,106,520</u>	<u>221,139</u>
Supervisor of Assessments				
Personnel services	877,198	870,498	867,147	3,351
Contractual services	73,775	79,775	77,285	2,490
Commodities	<u>11,500</u>	<u>12,200</u>	<u>12,084</u>	<u>116</u>
Total Supervisor of Assessments	<u>962,473</u>	<u>962,473</u>	<u>956,516</u>	<u>5,957</u>
				(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 492,100	\$ 492,957	\$ 492,937	\$ 20
Contractual services	64,245	64,245	42,929	21,316
Commodities	<u>7,350</u>	<u>7,350</u>	<u>7,350</u>	<u>-</u>
Total Treasurer	<u>563,695</u>	<u>564,552</u>	<u>543,216</u>	<u>21,336</u>
Non-Departmental				
Personnel services	1,053,612	730,168	-	730,168
Contractual services	13,732,625	13,771,082	12,444,563	1,326,519
Commodities	<u>11,350</u>	<u>11,350</u>	<u>112</u>	<u>11,238</u>
Total Non-Departmental	<u>14,797,587</u>	<u>14,512,600</u>	<u>12,444,675</u>	<u>2,067,925</u>
Total General and Administrative	<u>29,818,351</u>	<u>29,888,298</u>	<u>27,064,009</u>	<u>2,824,289</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,165,511	1,197,685	1,197,682	3
Contractual services	181,508	393,812	292,322	101,490
Commodities	<u>61,100</u>	<u>61,100</u>	<u>37,767</u>	<u>23,333</u>
Total Planning and Development	<u>1,408,119</u>	<u>1,652,597</u>	<u>1,527,771</u>	<u>124,826</u>
Total Community Development	<u>1,408,119</u>	<u>1,652,597</u>	<u>1,527,771</u>	<u>124,826</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	28,803,261	28,849,639	28,654,145	195,494
Contractual services	3,526,556	3,540,380	3,156,372	384,008
Commodities	<u>1,027,161</u>	<u>1,092,793</u>	<u>940,795</u>	<u>151,998</u>
Total County Sheriff	<u>33,356,978</u>	<u>33,482,812</u>	<u>32,751,312</u>	<u>731,500</u>
Emergency Management				
Personnel services	219,218	228,172	228,166	6
Contractual services	31,000	44,412	31,444	12,968
Commodities	<u>27,200</u>	<u>38,190</u>	<u>33,974</u>	<u>4,216</u>
Total Emergency Management	<u>277,418</u>	<u>310,774</u>	<u>293,584</u>	<u>17,190</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 390,166	\$ 414,410	\$ 414,407	\$ 3
Contractual services	132,675	124,355	110,120	14,235
Commodities	<u>13,432</u>	<u>13,432</u>	<u>11,395</u>	<u>2,037</u>
Total County Coroner	<u>536,273</u>	<u>552,197</u>	<u>535,922</u>	<u>16,275</u>
Total Public Safety	<u>34,170,669</u>	<u>34,345,783</u>	<u>33,580,818</u>	<u>764,965</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,839,382	1,839,382	1,829,888	9,494
Contractual services	29,450	29,450	27,877	1,573
Commodities	<u>26,150</u>	<u>26,150</u>	<u>25,789</u>	<u>361</u>
Total Clerk of the Circuit Court	<u>1,894,982</u>	<u>1,894,982</u>	<u>1,883,554</u>	<u>11,428</u>
Court Administration				
Personnel services	453,812	458,072	458,067	5
Contractual services	605,605	605,934	493,581	112,353
Commodities	<u>115,000</u>	<u>115,670</u>	<u>65,083</u>	<u>50,587</u>
Total Court Administration	<u>1,174,417</u>	<u>1,179,676</u>	<u>1,016,731</u>	<u>162,945</u>
Court Services				
Personnel services	2,405,825	2,405,825	2,361,081	44,744
Contractual services	472,900	472,900	353,562	119,338
Commodities	<u>24,300</u>	<u>24,300</u>	<u>24,200</u>	<u>100</u>
Total Court Services	<u>2,903,025</u>	<u>2,903,025</u>	<u>2,738,843</u>	<u>164,182</u>
Public Defender				
Personnel services	936,549	977,379	977,375	4
Contractual services	10,550	10,550	6,431	4,119
Commodities	<u>9,929</u>	<u>9,929</u>	<u>8,028</u>	<u>1,901</u>
Total Public Defender	<u>957,028</u>	<u>997,858</u>	<u>991,834</u>	<u>6,024</u>
State's Attorney				
Personnel services	2,691,609	2,791,673	2,791,668	5
Contractual services	174,875	174,875	158,600	16,275
Commodities	<u>57,182</u>	<u>57,182</u>	<u>42,776</u>	<u>14,406</u>
Total State's Attorney	<u>2,923,666</u>	<u>3,023,730</u>	<u>2,993,044</u>	<u>30,686</u>
Total Judiciary and Court Related	<u>9,853,118</u>	<u>9,999,271</u>	<u>9,624,006</u>	<u>375,265</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC HEALTH AND WELFARE				
Health Department				
Personnel services	\$ 5,366,031	\$ 5,401,790	\$ 5,335,246	\$ 66,544
Contractual services	995,192	1,295,854	1,007,302	288,552
Commodities	<u>830,546</u>	<u>872,240</u>	<u>478,441</u>	<u>393,799</u>
Total Health Department	<u>7,191,769</u>	<u>7,569,884</u>	<u>6,820,989</u>	<u>748,895</u>
Total Public Health and Welfare	<u>7,191,769</u>	<u>7,569,884</u>	<u>6,820,989</u>	<u>748,895</u>
Total Expenditures - Current	<u>82,442,026</u>	<u>83,455,833</u>	<u>78,617,593</u>	<u>4,838,240</u>
CAPITAL OUTLAY	<u>1,030,636</u>	<u>4,878,191</u>	<u>3,439,232</u>	<u>1,438,959</u>
DEBT SERVICE				
Principal retirement	987,974	1,082,755	757,655	325,100
Interest and fiscal charges	<u>42,699</u>	<u>42,697</u>	<u>55,265</u>	<u>(12,568)</u>
Total Debt Service	<u>1,030,673</u>	<u>1,125,452</u>	<u>812,920</u>	<u>312,532</u>
TOTAL EXPENDITURES	<u>\$ 84,503,335</u>	<u>\$ 89,459,476</u>	<u>\$ 82,869,745</u>	<u>\$ 6,589,731</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Cash and equivalents	\$ 94,591,971	\$ -	\$ -	\$ 163,615	\$ 94,755,586
Property taxes receivable	17,381,825	-	-	-	17,381,825
Other receivables	783,567	-	-	-	783,567
Due from other governments	6,430,595	-	-	-	6,430,595
Due from other funds	2,026,106	-	-	637,500	2,663,606
Inventory	441,007	-	-	-	441,007
Total Assets	<u>\$ 121,655,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,115</u>	<u>\$ 122,456,186</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 3,658,705	\$ -	\$ -	\$ -	\$ 3,658,705
Accrued payroll	515,020	-	-	-	515,020
Due to other funds	1,925,257	-	-	454	1,925,711
Advance from other funds	192,187	-	-	-	192,187
Total Liabilities	<u>6,291,169</u>	<u>-</u>	<u>-</u>	<u>454</u>	<u>6,291,623</u>
Deferred Inflows of Resources					
Property taxes levied for future period	17,381,825	-	-	-	17,381,825
Unavailable revenue	2,036,945	-	-	-	2,036,945
Total Deferred Inflows of Resources	<u>19,418,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,418,770</u>
Fund Balances					
Nonspendable	441,007	-	-	800,661	1,241,668
Restricted	93,430,874	-	-	-	93,430,874
Committed	2,073,251	-	-	-	2,073,251
Total Fund Balances	<u>95,945,132</u>	<u>-</u>	<u>-</u>	<u>800,661</u>	<u>96,745,793</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 121,655,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,115</u>	<u>\$ 122,456,186</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2014

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Charges for services	\$ 3,953,185	\$ -	\$ -	\$ -	\$ 3,953,185
Licenses and permits	91,029	-	-	-	91,029
Fines and forfeitures	25,423	-	-	-	25,423
Grants, contributions, and intergovernmental	17,266,529	-	-	-	17,266,529
Property taxes	17,704,969	-	-	-	17,704,969
Sales taxes	9,712,705	-	-	-	9,712,705
Investment income	150,232	-	29	454	150,715
Miscellaneous	305,507	-	-	-	305,507
Total Revenues	<u>49,209,579</u>	<u>-</u>	<u>29</u>	<u>454</u>	<u>49,210,062</u>
EXPENDITURES					
Current					
General and administrative	4,910,286	-	-	-	4,910,286
Community development	1,759,543	-	-	-	1,759,543
Transportation	17,315,481	-	-	-	17,315,481
Public safety	1,675,870	-	-	-	1,675,870
Judiciary and court related	2,968,549	-	-	-	2,968,549
Public health and welfare	6,145,734	-	-	-	6,145,734
Capital outlay	9,694,983	-	60,039	-	9,755,022
Debt service					
Principal retirement	32,784	9,330,000	-	-	9,362,784
Interest and fiscal charges	2,086	1,697,917	-	-	1,700,003
Total Expenditures	<u>44,505,316</u>	<u>11,027,917</u>	<u>60,039</u>	<u>-</u>	<u>55,593,272</u>
Excess (deficiency) of revenues over expenditures	<u>4,704,263</u>	<u>(11,027,917)</u>	<u>(60,010)</u>	<u>454</u>	<u>(6,383,210)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,874,339	11,027,917	-	-	20,902,256
Transfers out	(16,049,211)	-	-	(454)	(16,049,665)
Insurance recoveries	710,657	-	-	-	710,657
Total Other Financing Sources (Uses)	<u>(5,464,215)</u>	<u>11,027,917</u>	<u>-</u>	<u>(454)</u>	<u>5,563,248</u>
Net Change in Fund Balances	(759,952)	-	(60,010)	-	(819,962)
Fund Balances - Beginning of Year	<u>96,705,084</u>	<u>-</u>	<u>60,010</u>	<u>800,661</u>	<u>97,565,755</u>
Fund Balances - End of Year	<u>\$ 95,945,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,661</u>	<u>\$ 96,745,793</u>

NONMAJOR SPECIAL REVENUE FUNDS

Veterans' Assistance Commission Bus Fund – to account for expenditures related to the purchase of buses used to transport veterans.

Veterans' Assistance Commission Fund – to account for expenditures to assist veterans. Revenue is from property taxes.

County Highway Fund – to account for expenditures for highway maintenance and construction. Funding is primarily from property taxes and transfer in from other funds.

Social Security Fund – to account for expenditures related to Social Security payments to the United States government. Revenue is primarily from property taxes.

Coroner's Fund – to account for fees collected by the Coroner that are restricted for expenditures of the Coroner's Office.

Matching Fund – to account for expenditures for road construction. Revenue is from property taxes.

County Bridge Fund – to account for expenditures to construct and maintain County bridges. Revenue is from property taxes.

County Option Motor Fuel Tax Fund – to account for the collection of an optional gasoline tax to be used for road maintenance and repair.

Tuberculosis Care and Treatment Fund – to account for expenditures for the administration of the tuberculosis care program. Revenue is from property taxes.

Maintenance and Child Support Collection Fund – to account for fees charged to obligors to process child support payments.

County Clerk Automation Fund – to account for fees collected to be used for the automation of the County Clerk's Office.

Recorder Automation Fund – to account for Recorder's automation fees to be used to improve the capabilities of the Recorder's office through the application of new technology.

Animal Shelter Fund – to account for expenditures for the maintenance of the animal shelter. Revenue is primarily from donations and contributions.

County Treasurer Automation Fund – to account for the collection of a fee for the upgrading of equipment and programs necessary to assist in the collection and distribution of taxes. The funds are also used for advanced recordkeeping and to microfiche all office records.

Workforce Network Fund – to account for funds received under the Workforce Investment Act (WIA) used for various employment and training programs and services, which help eligible individuals become economically self-sufficient.

Law Library Fund – to account for the operations of the law library. Revenues are from a fee charged on civil court cases.

Special Courts Fund – to account for the activities of the Mental Health Court and the Drug Court. Revenues are primarily from judiciary and court related fees.

Expedited Permit Fund – to account for fees paid by stormwater permit applicants for expediting the review process through an outside engineering firm.

Circuit Court Document Storage Fund – to account for the collection of document storage fees to be used to establish and maintain a document storage system in the office of the Clerk of the Circuit Court.

Probation Service Fee Fund – to account for probation service fees collected from persons sentenced to probation.

HUD Grants Fund – to account for grant funds received from the U.S. Department of Housing and Urban Development (HUD). Grant programs include Community Development Block Grants (CDBG), Home Investment Partnership Program (HOME), and Neighborhood Stabilization Program (NSP). Funds are used to assist communities in meeting their greatest economic and community development needs, with an emphasis upon persons with low to moderate income.

Dental Care Clinic Fund – to account for funds used in the operation of the County Dental Care Clinic.

Circuit Court Automation Fund – to account for the collection of court automation fees to be used to establish and maintain automated recordkeeping systems of the Clerk of the Circuit Court.

Illinois Criminal Justice Authority Fund – to account for funds used in the Multi-Jurisdictional Drug Prosecution Program. This program is designed to prosecute all felony narcotics cases, including any correlative forfeiture actions.

Circuit Court Admin Fund – to account for fees that are restricted to the Circuit Clerk's Office.

EMDT Fund – to account for funds used for the purpose of providing drug and alcohol testing along with electronic monitoring services.

Treasurer's Passport Services Fund – to account for the collection of fees and processing of passport applications in the Treasurer's Office.

State's Attorney Automation Fund – to account for the collection of a fee to be used to establish and maintain automated recordkeeping systems of the Office of the State's Attorney.

DUI Conviction Fund – to account for DUI conviction fines allocated to the County by the Illinois vehicle code to be used for the procurement of law enforcement equipment.

Geographic Information Systems Fund – to account for the collection of fees to be used for the implementation and maintenance of the County's Geographic Information System.

Revolving Loan Fund – to account for monies received from the State of Illinois for community development loans under the Community Development Block Grant Program. The principal and interest repaid on these loans is kept by the County and used to make new community development loans.

Health Scholarship Fund – to account for monies donated for use by the County Board and the Health Department for support of a Public Health Scholarship and research activities.

Senior Services Fund – to account for the revenues and expenditures of the social services – senior citizens tax levy.

RTA Sales Tax Fund – to account for the collection of a sales tax, which is restricted for use on transportation programs.

Public Building Commission Fund – to account for the activities of the Public Building Commission (blended component unit).

Insurance Loss Fund – to account for general liability, property, worker's compensation, and unemployment compensation insurance premiums and claims. Revenue is primarily from property taxes.

Circuit Clerk Electronic Citation Fund – to account for fees that are restricted to the Circuit Clerk's Office.

Motor Fuel Tax Fund – to account for allotments received from the State of Illinois and expenditures for highway construction and maintenance.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2014

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	County Highway Fund	Social Security Fund
ASSETS				
Cash and equivalents	\$ 7,348	\$ 587,605	\$ 6,647,879	\$ 2,716,555
Property taxes receivable	-	400,000	6,450,000	4,006,025
Other receivables	-	-	53,156	-
Due from other governments	-	-	144,835	-
Due from other funds	-	-	1,640,359	-
Inventory	-	-	24,957	-
Total Assets	<u>\$ 7,348</u>	<u>\$ 987,605</u>	<u>\$ 14,961,186</u>	<u>\$ 6,722,580</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 4,275	\$ 1,961,435	\$ -
Accrued payroll	-	10,692	173,404	143,731
Due to other funds	-	3,913	200,683	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>18,880</u>	<u>2,335,522</u>	<u>143,731</u>
Deferred Inflows of Resources				
Property taxes levied for future period	-	400,000	6,450,000	4,006,025
Unavailable revenue	-	-	100,490	-
Total Deferred Inflows of Resources	<u>-</u>	<u>400,000</u>	<u>6,550,490</u>	<u>4,006,025</u>
Fund Balances				
Nonspendable	-	-	24,957	-
Restricted	7,348	568,725	6,050,217	2,572,824
Committed	-	-	-	-
Total Fund Balances	<u>7,348</u>	<u>568,725</u>	<u>6,075,174</u>	<u>2,572,824</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,348</u>	<u>\$ 987,605</u>	<u>\$ 14,961,186</u>	<u>\$ 6,722,580</u>

Coroner's Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund	Maintenance and Child Support Collection Fund
\$ 87,518	\$ 13,246,390	\$ 5,866,110	\$ 11,168,634	\$ 567,201	\$ 66,607
-	1,820,000	480,800	-	250,000	-
-	1,078	-	-	-	-
-	30,925	536,934	1,035,728	-	-
-	-	-	-	-	-
-	-	-	350,531	-	-
<u>\$ 87,518</u>	<u>\$ 15,098,393</u>	<u>\$ 6,883,844</u>	<u>\$ 12,554,893</u>	<u>\$ 817,201</u>	<u>\$ 66,607</u>
\$ 1,195	\$ 24,774	\$ 221,850	\$ 230,181	\$ 3,650	\$ -
-	-	-	-	8,420	4,608
248	-	-	-	7,498	1,888
-	-	-	-	-	-
<u>1,443</u>	<u>24,774</u>	<u>221,850</u>	<u>230,181</u>	<u>19,568</u>	<u>6,496</u>
-	1,820,000	480,800	-	250,000	-
-	30,925	536,934	-	-	-
-	<u>1,850,925</u>	<u>1,017,734</u>	-	<u>250,000</u>	-
-	-	-	350,531	-	-
86,075	13,222,694	5,644,260	11,974,181	547,633	60,111
-	-	-	-	-	-
<u>86,075</u>	<u>13,222,694</u>	<u>5,644,260</u>	<u>12,324,712</u>	<u>547,633</u>	<u>60,111</u>
<u>\$ 87,518</u>	<u>\$ 15,098,393</u>	<u>\$ 6,883,844</u>	<u>\$ 12,554,893</u>	<u>\$ 817,201</u>	<u>\$ 66,607</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2014

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
ASSETS				
Cash and equivalents	\$ 97,091	\$ 2,015,298	\$ 26,208	\$ 464,829
Property taxes receivable	-	-	-	-
Other receivables	-	614	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>97,091</u>	\$ <u>2,015,912</u>	\$ <u>26,208</u>	\$ <u>464,829</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 11,994	\$ -	\$ 2,771
Accrued payroll	-	16,347	-	-
Due to other funds	-	6,467	-	-
Advance from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>34,808</u>	<u>-</u>	<u>2,771</u>
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	434	-	-
	<u>-</u>	<u>434</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>434</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	97,091	1,980,670	26,208	462,058
Committed	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>97,091</u>	<u>1,980,670</u>	<u>26,208</u>	<u>462,058</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>97,091</u>	\$ <u>2,015,912</u>	\$ <u>26,208</u>	\$ <u>464,829</u>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ 155,517	\$ 244,538	\$ 546,396	\$ 3,712	\$ 247,692	\$ 687,644
-	-	-	-	-	-
-	-	29,289	-	-	-
1,783,169	-	-	-	-	-
-	-	-	23	-	-
-	-	-	-	-	-
<u>\$ 1,938,686</u>	<u>\$ 244,538</u>	<u>\$ 575,685</u>	<u>\$ 3,735</u>	<u>\$ 247,692</u>	<u>\$ 687,644</u>
\$ 138,402	\$ 28,460	\$ 2,314	\$ 3,735	\$ 2,188	\$ 8,952
41,356	5,248	17,434	-	4,999	-
17,711	472	7,134	-	-	4,762
-	-	-	-	192,187	-
<u>197,469</u>	<u>34,180</u>	<u>26,882</u>	<u>3,735</u>	<u>199,374</u>	<u>13,714</u>
-	-	-	-	-	-
<u>1,367,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,367,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
373,495	210,358	548,803	-	48,318	673,930
-	-	-	-	-	-
<u>373,495</u>	<u>210,358</u>	<u>548,803</u>	<u>-</u>	<u>48,318</u>	<u>673,930</u>
<u>\$ 1,938,686</u>	<u>\$ 244,538</u>	<u>\$ 575,685</u>	<u>\$ 3,735</u>	<u>\$ 247,692</u>	<u>\$ 687,644</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2014

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
ASSETS				
Cash and equivalents	\$ -	\$ 241,483	\$ 340,512	\$ 1,179
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	80,270	-	-	-
Due from other funds	-	-	4,000	-
Inventory	-	-	-	-
Total Assets	<u>\$ 80,270</u>	<u>\$ 241,483</u>	<u>\$ 344,512</u>	<u>\$ 1,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 65,432	\$ 3,075	\$ 3,173	\$ -
Accrued payroll	9,413	15,126	7,146	-
Due to other funds	5,425	2,733	1,295	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>80,270</u>	<u>20,934</u>	<u>11,614</u>	<u>-</u>
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	220,549	332,898	1,179
Committed	-	-	-	-
Total Fund Balances	<u>-</u>	<u>220,549</u>	<u>332,898</u>	<u>1,179</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 80,270</u>	<u>\$ 241,483</u>	<u>\$ 344,512</u>	<u>\$ 1,179</u>

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 178,990	\$ 13,611	\$ 209,880	\$ 63,997	\$ 93,546	\$ 1,729,781
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>178,990</u>	<u>13,611</u>	<u>209,880</u>	<u>63,997</u>	<u>93,546</u>	<u>1,729,781</u>
\$ 1,377	\$ 1,832	\$ 26	\$ -	\$ -	\$ 2,916
770	-	146	-	-	16,881
-	-	-	-	-	7,774
-	-	-	-	-	-
<u>2,147</u>	<u>1,832</u>	<u>172</u>	<u>-</u>	<u>-</u>	<u>27,571</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
176,843	11,779	-	63,997	93,546	1,702,210
-	-	209,708	-	-	-
<u>176,843</u>	<u>11,779</u>	<u>209,708</u>	<u>63,997</u>	<u>93,546</u>	<u>1,702,210</u>
<u>178,990</u>	<u>13,611</u>	<u>209,880</u>	<u>63,997</u>	<u>93,546</u>	<u>1,729,781</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2014

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
ASSETS				
Cash and equivalents	\$ 1,213,098	\$ 6,813	\$ 3,198,403	\$ 10,407,435
Property taxes receivable	-	-	1,725,000	-
Other receivables	650,733	-	-	-
Due from other governments	-	-	-	2,461,629
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,863,831</u>	<u>\$ 6,813</u>	<u>\$ 4,923,403</u>	<u>\$ 12,869,064</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 288	\$ 500	\$ 348,538	\$ -
Accrued payroll	-	-	737	-
Due to other funds	-	-	3,898	1,640,359
Advance from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>288</u>	<u>500</u>	<u>353,173</u>	<u>1,640,359</u>
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	1,725,000	-
Unavailable revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,725,000</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	6,313	2,845,230	11,228,705
Committed	1,863,543	-	-	-
	<u>1,863,543</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,863,543</u>	<u>6,313</u>	<u>2,845,230</u>	<u>11,228,705</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,863,831</u>	<u>\$ 6,813</u>	<u>\$ 4,923,403</u>	<u>\$ 12,869,064</u>

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Totals
\$ 38,868	\$ 15,731,592	\$ 38,634	\$ 15,633,377	\$ 94,591,971
-	2,250,000	-	-	17,381,825
258	-	-	48,439	783,567
-	-	-	357,105	6,430,595
-	381,724	-	-	2,026,106
-	-	-	65,519	441,007
<u>\$ 39,126</u>	<u>\$ 18,363,316</u>	<u>\$ 38,634</u>	<u>\$ 16,104,440</u>	<u>\$ 121,655,071</u>
\$ 825	\$ 100,611	\$ -	\$ 483,936	\$ 3,658,705
-	36,719	-	1,843	515,020
-	12,997	-	-	1,925,257
-	-	-	-	192,187
<u>825</u>	<u>150,327</u>	<u>-</u>	<u>485,779</u>	<u>6,291,169</u>
-	2,250,000	-	-	17,381,825
-	-	-	440	2,036,945
<u>-</u>	<u>2,250,000</u>	<u>-</u>	<u>440</u>	<u>19,418,770</u>
-	-	-	65,519	441,007
38,301	15,962,989	38,634	15,552,702	93,430,874
-	-	-	-	2,073,251
<u>38,301</u>	<u>15,962,989</u>	<u>38,634</u>	<u>15,618,221</u>	<u>95,945,132</u>
<u>\$ 39,126</u>	<u>\$ 18,363,316</u>	<u>\$ 38,634</u>	<u>\$ 16,104,440</u>	<u>\$ 121,655,071</u>

(Concluded)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2014

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	County Highway Fund	Social Security Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	91,029	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	1,871,998	-
Property taxes	-	399,384	6,390,543	4,000,125
Sales taxes	-	-	-	-
Investment income	11	4	8,019	2,957
Miscellaneous	500	-	137,210	-
Total Revenues	511	399,388	8,498,799	4,003,082
EXPENDITURES				
Current				
General and administrative	-	-	-	527,701
Community development	-	-	-	80,710
Transportation	-	-	9,865,554	196,803
Public safety	-	-	-	1,664,244
Judiciary and court related	-	-	-	569,539
Public health and welfare	-	441,961	-	731,026
Capital outlay	-	-	2,470,460	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	441,961	12,336,014	3,770,023
Excess (deficiency) of revenues over expenditures	511	(42,573)	(3,837,215)	233,059
OTHER FINANCING SOURCES (USES)				
Transfers in	-	23,188	9,842,946	-
Transfers out	-	-	(6,197,265)	-
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	-	23,188	3,645,681	-
Net Change in Fund Balances	511	(19,385)	(191,534)	233,059
Fund Balances (Deficit) - Beginning of Year	6,837	588,110	6,266,708	2,339,765
Fund Balances - End of Year	\$ 7,348	\$ 568,725	\$ 6,075,174	\$ 2,572,824

Coroner's Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund	Maintenance and Child Support Collection Fund
\$ 52,985	\$ -	\$ -	\$ -	\$ 8,980	\$ 119,864
-	-	-	-	-	-
-	-	-	-	-	-
4,320	169,624	244,436	4,365,055	-	-
-	1,148,299	1,048,433	-	249,664	-
-	-	-	-	-	-
104	19,918	8,680	17,964	840	140
-	-	-	754	-	-
<u>57,409</u>	<u>1,337,841</u>	<u>1,301,549</u>	<u>4,383,773</u>	<u>259,484</u>	<u>120,004</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	155,784	592,302	2,491,277	-	-
1,785	-	-	-	-	-
-	-	-	-	-	186,437
-	-	-	-	315,174	-
-	770,069	940,656	4,039,817	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,785</u>	<u>925,853</u>	<u>1,532,958</u>	<u>6,531,094</u>	<u>315,174</u>	<u>186,437</u>
<u>55,624</u>	<u>411,988</u>	<u>(231,409)</u>	<u>(2,147,321)</u>	<u>(55,690)</u>	<u>(66,433)</u>
-	-	-	-	-	-
(9,000)	-	-	-	-	-
-	-	-	-	-	-
<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
46,624	411,988	(231,409)	(2,147,321)	(55,690)	(66,433)
<u>39,451</u>	<u>12,810,706</u>	<u>5,875,669</u>	<u>14,472,033</u>	<u>603,323</u>	<u>126,544</u>
<u>\$ 86,075</u>	<u>\$ 13,222,694</u>	<u>\$ 5,644,260</u>	<u>\$ 12,324,712</u>	<u>\$ 547,633</u>	<u>\$ 60,111</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2014

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
REVENUES				
Charges for services	\$ 11,712	\$ 643,685	\$ 1,321	\$ 138,307
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	137	3,291	38	647
Miscellaneous	-	-	-	-
Total Revenues	<u>11,849</u>	<u>646,976</u>	<u>1,359</u>	<u>138,954</u>
EXPENDITURES				
Current				
General and administrative	2,478	691,863	-	97,196
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	64	-
Capital outlay	-	10,120	-	-
Debt service				
Principal retirement	-	28,545	-	-
Interest and fiscal charges	-	2,086	-	-
Total Expenditures	<u>2,478</u>	<u>732,614</u>	<u>64</u>	<u>97,196</u>
Excess (deficiency) of revenues over expenditures	<u>9,371</u>	<u>(85,638)</u>	<u>1,295</u>	<u>41,758</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	9,371	(85,638)	1,295	41,758
Fund Balances (Deficit) - Beginning of Year	<u>87,720</u>	<u>2,066,308</u>	<u>24,913</u>	<u>420,300</u>
Fund Balances - End of Year	<u>\$ 97,091</u>	<u>\$ 1,980,670</u>	<u>\$ 26,208</u>	<u>\$ 462,058</u>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ -	\$ 208,921	\$ 224,377	\$ 28,320	\$ 597,758	\$ 339,040
-	-	-	-	-	-
-	-	-	-	-	-
2,378,824	-	258,263	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
283	452	-	-	324	1,033
63,337	-	-	-	-	3,606
<u>2,442,444</u>	<u>209,373</u>	<u>482,640</u>	<u>28,320</u>	<u>598,082</u>	<u>343,679</u>
-	-	-	-	-	-
-	-	-	28,320	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	324,965	513,387	-	341,926	383,976
2,452,373	-	-	-	-	-
9,510	-	-	-	41,226	-
4,239	-	-	-	-	-
-	-	-	-	-	-
<u>2,466,122</u>	<u>324,965</u>	<u>513,387</u>	<u>28,320</u>	<u>383,152</u>	<u>383,976</u>
<u>(23,678)</u>	<u>(115,592)</u>	<u>(30,747)</u>	<u>-</u>	<u>214,930</u>	<u>(40,297)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(23,678)	(115,592)	(30,747)	-	214,930	(40,297)
<u>397,173</u>	<u>325,950</u>	<u>579,550</u>	<u>-</u>	<u>(166,612)</u>	<u>714,227</u>
<u>\$ 373,495</u>	<u>\$ 210,358</u>	<u>\$ 548,803</u>	<u>\$ -</u>	<u>\$ 48,318</u>	<u>\$ 673,930</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2014

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
REVENUES				
Charges for services	\$ -	\$ 41,120	\$ 617,256	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	1,445,027	273,108	-	66,715
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	-	494	329	17
Miscellaneous	-	-	-	-
Total Revenues	<u>1,445,027</u>	<u>314,722</u>	<u>617,585</u>	<u>66,732</u>
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	1,650,225	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	415,394	66,715
Public health and welfare	-	468,007	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,650,225</u>	<u>468,007</u>	<u>415,394</u>	<u>66,715</u>
Excess (deficiency) of revenues over expenditures	<u>(205,198)</u>	<u>(153,285)</u>	<u>202,191</u>	<u>17</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(205,198)	(153,285)	202,191	17
Fund Balances (Deficit) - Beginning of Year	<u>205,198</u>	<u>373,834</u>	<u>130,707</u>	<u>1,162</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 220,549</u>	<u>\$ 332,898</u>	<u>\$ 1,179</u>

<u>Circuit Court Admin Fund</u>	<u>EMDT Fund</u>	<u>Treasurer's Passport Services Fund</u>	<u>State's Attorney Automation Fund</u>	<u>DUI Conviction Fund</u>	<u>Geographic Information Systems Fund</u>
\$ 84,952	\$ 19,517	\$ 99,989	\$ 28,028	\$ -	\$ 645,911
-	-	-	-	-	-
-	-	-	-	25,423	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
263	-	328	75	-	2,773
-	-	-	-	-	-
<u>85,215</u>	<u>19,517</u>	<u>100,317</u>	<u>28,103</u>	<u>25,423</u>	<u>648,684</u>
-	-	68,552	-	-	830,696
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,841	-
79,051	44,595	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>79,051</u>	<u>44,595</u>	<u>68,552</u>	<u>-</u>	<u>9,841</u>	<u>830,696</u>
<u>6,164</u>	<u>(25,078)</u>	<u>31,765</u>	<u>28,103</u>	<u>15,582</u>	<u>(182,012)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,164	(25,078)	31,765	28,103	15,582	(182,012)
<u>170,679</u>	<u>36,857</u>	<u>177,943</u>	<u>35,894</u>	<u>77,964</u>	<u>1,884,222</u>
<u>\$ 176,843</u>	<u>\$ 11,779</u>	<u>\$ 209,708</u>	<u>\$ 63,997</u>	<u>\$ 93,546</u>	<u>\$ 1,702,210</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2014

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	1,722,527	-
Sales taxes	-	-	-	9,712,705
Investment income	38,797	10	4,451	10,493
Miscellaneous	100,100	-	-	-
Total Revenues	138,897	10	1,726,978	9,723,198
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	288	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	1,737,129	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	288	-	1,737,129	-
Excess (deficiency) of revenues over expenditures	138,609	10	(10,151)	9,723,198
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8,205	-
Transfers out	-	-	-	(9,842,946)
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	-	-	8,205	(9,842,946)
Net Change in Fund Balances	138,609	10	(1,946)	(119,748)
Fund Balances (Deficit) - Beginning of Year	1,724,934	6,303	2,847,176	11,348,453
Fund Balances - End of Year	\$ 1,863,543	\$ 6,313	\$ 2,845,230	\$ 11,228,705

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Totals
\$ -	\$ -	\$ 41,142	\$ -	\$ 3,953,185
-	-	-	-	91,029
-	-	-	-	25,423
-	-	-	6,189,159	17,266,529
-	2,745,994	-	-	17,704,969
-	-	-	-	9,712,705
1,068	69	71	26,152	150,232
-	-	-	-	305,507
<u>1,068</u>	<u>2,746,063</u>	<u>41,213</u>	<u>6,215,311</u>	<u>49,209,579</u>
8,223	2,683,577	-	-	4,910,286
-	-	-	-	1,759,543
-	-	-	4,013,761	17,315,481
-	-	-	-	1,675,870
-	-	42,564	-	2,968,549
-	-	-	-	6,145,734
-	-	-	1,413,125	9,694,983
-	-	-	-	32,784
-	-	-	-	2,086
<u>8,223</u>	<u>2,683,577</u>	<u>42,564</u>	<u>5,426,886</u>	<u>44,505,316</u>
<u>(7,155)</u>	<u>62,486</u>	<u>(1,351)</u>	<u>788,425</u>	<u>4,704,263</u>
-	-	-	-	9,874,339
-	-	-	-	(16,049,211)
-	710,657	-	-	710,657
-	710,657	-	-	(5,464,215)
(7,155)	773,143	(1,351)	788,425	(759,952)
<u>45,456</u>	<u>15,189,846</u>	<u>39,985</u>	<u>14,829,796</u>	<u>96,705,084</u>
<u>\$ 38,301</u>	<u>\$ 15,962,989</u>	<u>\$ 38,634</u>	<u>\$ 15,618,221</u>	<u>\$ 95,945,132</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION BUS FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 12	\$ 12	\$ 11	\$ (1)
Miscellaneous	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Total Revenues	<u>512</u>	<u>512</u>	<u>511</u>	<u>(1)</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	1,000	1,000	-	1,000
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>-</u>	<u>1,550</u>
Net Change in Fund Balance	<u>\$ (1,038)</u>	<u>\$ (1,038)</u>	511	<u>\$ 1,549</u>
Fund Balance - Beginning of Year			<u>6,837</u>	
Fund Balance - End of Year			<u>\$ 7,348</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 400,000	\$ 400,000	\$ 399,384	\$ (616)
Investment income	10	10	4	(6)
Miscellaneous	600	600	-	(600)
Total Revenues	400,610	400,610	399,388	(1,222)
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	328,487	328,487	300,446	28,041
Contractual services	315,612	315,612	119,170	196,442
Commodities	23,400	24,252	22,345	1,907
Total Expenditures	667,499	668,351	441,961	226,390
Deficiency of revenues over expenditures	(266,889)	(267,741)	(42,573)	225,168
OTHER FINANCING SOURCES				
Transfers in	-	23,188	23,188	-
Net Change in Fund Balance	\$ (266,889)	\$ (244,553)	(19,385)	\$ 225,168
Fund Balance - Beginning of Year			588,110	
Fund Balance - End of Year			\$ 568,725	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY HIGHWAY FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Licenses and permits	61,500	61,500	91,029	29,529
Grants, contributions, and intergovernmental	345,676	345,676	1,871,998	1,526,322
Property taxes	6,400,000	6,400,000	6,390,543	(9,457)
Investment income	5,100	5,100	8,019	2,919
Miscellaneous	<u>122,000</u>	<u>122,000</u>	<u>137,210</u>	<u>15,210</u>
Total Revenues	<u>6,939,276</u>	<u>6,939,276</u>	<u>8,498,799</u>	<u>1,559,523</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	5,174,529	5,346,529	4,945,778	400,751
Contractual services	4,523,419	8,220,178	4,012,207	4,207,971
Commodities	749,004	981,259	907,569	73,690
Capital outlay	<u>7,500,000</u>	<u>10,863,685</u>	<u>2,470,460</u>	<u>8,393,225</u>
Total Expenditures	<u>17,946,952</u>	<u>25,411,651</u>	<u>12,336,014</u>	<u>13,075,637</u>
Deficiency of revenues over expenditures	<u>(11,007,676)</u>	<u>(18,472,375)</u>	<u>(3,837,215)</u>	<u>14,635,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,611,211	16,611,211	9,842,946	(6,768,265)
Transfers out	<u>(6,196,891)</u>	<u>(6,196,891)</u>	<u>(6,197,265)</u>	<u>(374)</u>
Total Other Financing Sources (Uses)	<u>10,414,320</u>	<u>10,414,320</u>	<u>3,645,681</u>	<u>(6,768,639)</u>
Net Change in Fund Balance	\$ <u><u>(593,356)</u></u>	\$ <u><u>(8,058,055)</u></u>	(191,534)	\$ <u><u>7,866,521</u></u>
Fund Balance - Beginning of Year			<u>6,266,708</u>	
Fund Balance - End of Year			\$ <u><u>6,075,174</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 4,006,025	\$ 4,006,025	\$ 4,000,125	\$ (5,900)
Investment income	<u>2,800</u>	<u>2,800</u>	<u>2,957</u>	<u>157</u>
Total Revenues	<u>4,008,825</u>	<u>4,008,825</u>	<u>4,003,082</u>	<u>(5,743)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	560,426	560,426	527,701	32,725
Community development	85,715	85,715	80,710	5,005
Transportation	209,008	209,008	196,803	12,205
Public safety	1,767,450	1,767,450	1,664,244	103,206
Judiciary and court related	604,858	604,858	569,539	35,319
Public health and welfare	<u>776,360</u>	<u>776,360</u>	<u>731,026</u>	<u>45,334</u>
Total Expenditures	<u>4,003,817</u>	<u>4,003,817</u>	<u>3,770,023</u>	<u>233,794</u>
Net Change in Fund Balance	\$ <u><u>5,008</u></u>	\$ <u><u>5,008</u></u>	233,059	\$ <u><u>228,051</u></u>
Fund Balance - Beginning of Year			<u>2,339,765</u>	
Fund Balance - End of Year			\$ <u><u>2,572,824</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CORONER'S FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 52,985	\$ 2,985
Grants, contributions, and intergovernmental	4,625	4,625	4,320	(305)
Investment income	<u>50</u>	<u>50</u>	<u>104</u>	<u>54</u>
Total Revenues	<u>54,675</u>	<u>54,675</u>	<u>57,409</u>	<u>2,734</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	5,000	5,000	-	5,000
Commodities	4,000	4,000	1,785	2,215
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Expenditures	<u>49,000</u>	<u>49,000</u>	<u>1,785</u>	<u>47,215</u>
Excess of revenues over expenditures	5,675	5,675	55,624	49,949
OTHER FINANCING USES				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>(3,325)</u></u>	\$ <u><u>(3,325)</u></u>	46,624	\$ <u><u>49,949</u></u>
Fund Balance - Beginning of Year			<u>39,451</u>	
Fund Balance - End of Year			\$ <u><u>86,075</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MATCHING FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 169,624	\$ 169,624
Property taxes	1,150,000	1,150,000	1,148,299	(1,701)
Investment income	<u>25,000</u>	<u>25,000</u>	<u>19,918</u>	<u>(5,082)</u>
Total Revenues	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,337,841</u>	<u>162,841</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	150,000	438,817	155,784	283,033
Capital outlay	<u>3,635,000</u>	<u>10,138,153</u>	<u>770,069</u>	<u>9,368,084</u>
Total Expenditures	<u>3,785,000</u>	<u>10,576,970</u>	<u>925,853</u>	<u>9,651,117</u>
Net Change in Fund Balance	\$ <u><u>(2,610,000)</u></u>	\$ <u><u>(9,401,970)</u></u>	411,988	\$ <u><u>9,813,958</u></u>
Fund Balance - Beginning of Year			<u>12,810,706</u>	
Fund Balance - End of Year			\$ <u><u>13,222,694</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY BRIDGE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,040,000	\$ 1,040,000	\$ 244,436	\$ (795,564)
Property taxes	1,050,000	1,050,000	1,048,433	(1,567)
Investment income	<u>8,000</u>	<u>8,000</u>	<u>8,680</u>	<u>680</u>
Total Revenues	<u>2,098,000</u>	<u>2,098,000</u>	<u>1,301,549</u>	<u>(796,451)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,715,000	2,143,478	592,302	1,551,176
Capital outlay	<u>2,320,000</u>	<u>4,736,472</u>	<u>940,656</u>	<u>3,795,816</u>
Total Expenditures	<u>4,035,000</u>	<u>6,879,950</u>	<u>1,532,958</u>	<u>5,346,992</u>
Net Change in Fund Balance	\$ <u>(1,937,000)</u>	\$ <u>(4,781,950)</u>	(231,409)	\$ <u>4,550,541</u>
Fund Balance - Beginning of Year			<u>5,875,669</u>	
Fund Balance - End of Year			\$ <u>5,644,260</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY OPTION MOTOR FUEL TAX FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 8,650,000	\$ 8,650,000	\$ 4,365,055	\$ (4,284,945)
Investment income	20,000	20,000	17,964	(2,036)
Miscellaneous	<u>-</u>	<u>-</u>	<u>754</u>	<u>754</u>
Total Revenues	<u>8,670,000</u>	<u>8,670,000</u>	<u>4,383,773</u>	<u>(4,286,227)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	2,270,000	3,577,201	1,108,038	2,469,163
Commodities	1,345,000	1,621,615	1,383,239	238,376
Capital outlay	<u>9,640,000</u>	<u>17,541,825</u>	<u>4,039,817</u>	<u>13,502,008</u>
Total Expenditures	<u>13,255,000</u>	<u>22,740,641</u>	<u>6,531,094</u>	<u>16,209,547</u>
Net Change in Fund Balance	<u>\$ (4,585,000)</u>	<u>\$ (14,070,641)</u>	(2,147,321)	<u>\$ 11,923,320</u>
Fund Balance - Beginning of Year			<u>14,472,033</u>	
Fund Balance - End of Year			<u>\$ 12,324,712</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TUBERCULOSIS CARE AND TREATMENT FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 10,500	\$ 10,500	\$ 8,980	\$ (1,520)
Property taxes	250,000	250,000	249,664	(336)
Investment income	625	625	840	215
Total Revenues	261,125	261,125	259,484	(1,641)
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	294,803	294,803	260,251	34,552
Contractual services	64,275	64,275	34,151	30,124
Commodities	32,050	32,050	20,772	11,278
Total Expenditures	391,128	391,128	315,174	75,954
Net Change in Fund Balance	\$ (130,003)	\$ (130,003)	(55,690)	\$ 74,313
Fund Balance - Beginning of Year			603,323	
Fund Balance - End of Year			\$ 547,633	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAINTENANCE AND CHILD SUPPORT COLLECTION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 135,000	\$ 135,000	\$ 119,864	\$ (15,136)
Investment income	<u>250</u>	<u>250</u>	<u>140</u>	<u>(110)</u>
Total Revenues	135,250	135,250	120,004	(15,246)
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	<u>193,479</u>	<u>193,479</u>	<u>186,437</u>	<u>7,042</u>
Net Change in Fund Balance	\$ <u>(58,229)</u>	\$ <u>(58,229)</u>	(66,433)	\$ <u>(8,204)</u>
Fund Balance - Beginning of Year			<u>126,544</u>	
Fund Balance - End of Year			\$ <u>60,111</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK AUTOMATION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 13,000	\$ 13,000	\$ 11,712	\$ (1,288)
Investment income	<u>125</u>	<u>125</u>	<u>137</u>	<u>12</u>
Total Revenues	<u>13,125</u>	<u>13,125</u>	<u>11,849</u>	<u>(1,276)</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	10,000	10,000	199	9,801
Commodities	2,500	2,500	2,279	221
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>27,500</u>	<u>27,500</u>	<u>2,478</u>	<u>25,022</u>
Net Change in Fund Balance	\$ <u>(14,375)</u>	\$ <u>(14,375)</u>	9,371	\$ <u>23,746</u>
Fund Balance - Beginning of Year			<u>87,720</u>	
Fund Balance - End of Year			\$ <u>97,091</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDER AUTOMATION FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 967,000	\$ 967,000	\$ 643,685	\$ (323,315)
Investment income	5,000	5,000	3,291	(1,709)
Total Revenues	972,000	972,000	646,976	(325,024)
EXPENDITURES				
Current				
General and administrative				
Personnel services	501,113	501,113	468,610	32,503
Contractual services	243,000	243,000	222,340	20,660
Commodities	120,350	120,350	913	119,437
Capital outlay	379,000	379,000	10,120	368,880
Debt service				
Principal retirement	28,545	28,545	28,545	-
Interest and fiscal charges	2,086	2,086	2,086	-
Total Expenditures	1,274,094	1,274,094	732,614	541,480
Net Change in Fund Balance	\$ (302,094)	\$ (302,094)	(85,638)	\$ 216,456
Fund Balance - Beginning of Year			2,066,308	
Fund Balance - End of Year			\$ 1,980,670	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL SHELTER FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 2,500	\$ 2,500	\$ 1,321	\$ (1,179)
Investment income	<u>100</u>	<u>100</u>	<u>38</u>	<u>(62)</u>
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>1,359</u>	<u>(1,241)</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	5,000	5,000	64	4,936
Commodities	<u>2,600</u>	<u>2,600</u>	<u>-</u>	<u>2,600</u>
Total Expenditures	<u>7,600</u>	<u>7,600</u>	<u>64</u>	<u>7,536</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	1,295	<u>\$ 6,295</u>
Fund Balance - Beginning of Year			<u>24,913</u>	
Fund Balance - End of Year			<u>\$ 26,208</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TREASURER AUTOMATION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 121,500	\$ 121,500	\$ 138,307	\$ 16,807
Investment income	<u>700</u>	<u>700</u>	<u>647</u>	<u>(53)</u>
Total Revenues	<u>122,200</u>	<u>122,200</u>	<u>138,954</u>	<u>16,754</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	190,700	190,700	90,811	99,889
Contractual services	77,500	77,500	-	77,500
Commodities	19,500	19,500	6,385	13,115
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>287,701</u>	<u>287,701</u>	<u>97,196</u>	<u>190,505</u>
Net Change in Fund Balance	\$ <u>(165,501)</u>	\$ <u>(165,501)</u>	41,758	\$ <u>207,259</u>
Fund Balance - Beginning of Year			<u>420,300</u>	
Fund Balance - End of Year			\$ <u>462,058</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE NETWORK FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,580,153	\$ 2,638,433	\$ 2,378,824	\$ (259,609)
Investment income	600	600	283	(317)
Miscellaneous	<u>102,765</u>	<u>102,765</u>	<u>63,337</u>	<u>(39,428)</u>
Total Revenues	<u>2,683,518</u>	<u>2,741,798</u>	<u>2,442,444</u>	<u>(299,354)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,467,788	1,467,788	1,347,275	120,513
Contractual services	1,118,990	1,134,402	990,833	143,569
Commodities	79,115	117,173	114,265	2,908
Capital outlay	500	10,010	9,510	500
Debt service				
Principal retirement	<u>17,125</u>	<u>12,425</u>	<u>4,239</u>	<u>8,186</u>
Total Expenditures	<u>2,683,518</u>	<u>2,741,798</u>	<u>2,466,122</u>	<u>275,676</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	(23,678)	\$ <u><u>(23,678)</u></u>
Fund Balance - Beginning of Year			<u>397,173</u>	
Fund Balance - End of Year			\$ <u><u>373,495</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 247,000	\$ 247,000	\$ 208,921	\$ (38,079)
Investment income	<u>550</u>	<u>550</u>	<u>452</u>	<u>(98)</u>
Total Revenues	<u>247,550</u>	<u>247,550</u>	<u>209,373</u>	<u>(38,177)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	149,846	149,846	144,822	5,024
Contractual services	400	400	302	98
Commodities	<u>155,800</u>	<u>190,800</u>	<u>179,841</u>	<u>10,959</u>
Total Expenditures	<u>306,046</u>	<u>341,046</u>	<u>324,965</u>	<u>16,081</u>
Net Change in Fund Balance	<u>\$ (58,496)</u>	<u>\$ (93,496)</u>	(115,592)	<u>\$ (22,096)</u>
Fund Balance - Beginning of Year			<u>325,950</u>	
Fund Balance - End of Year			<u>\$ 210,358</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL COURTS FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 227,000	\$ 227,000	\$ 224,377	\$ (2,623)
Grants, contributions, and intergovernmental	<u>283,013</u>	<u>283,013</u>	<u>258,263</u>	<u>(24,750)</u>
Total Revenues	<u>510,013</u>	<u>510,013</u>	<u>482,640</u>	<u>(27,373)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	451,890	451,890	456,829	(4,939)
Contractual services	27,750	27,750	24,428	3,322
Commodities	<u>40,750</u>	<u>40,750</u>	<u>32,130</u>	<u>8,620</u>
Total Expenditures	<u>520,390</u>	<u>520,390</u>	<u>513,387</u>	<u>7,003</u>
Net Change in Fund Balance	<u>\$ (10,377)</u>	<u>\$ (10,377)</u>	(30,747)	<u>\$ (20,370)</u>
Fund Balance - Beginning of Year			<u>579,550</u>	
Fund Balance - End of Year			<u>\$ 548,803</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EXPEDITED PERMIT FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ -	\$ 45,000	\$ 28,320	\$ (16,680)
EXPENDITURES				
Current				
Community development				
Contractual services	<u>-</u>	<u>45,000</u>	<u>28,320</u>	<u>16,680</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			\$ <u>-</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
CIRCUIT COURT DOCUMENT STORAGE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 660,000	\$ 660,000	\$ 597,758	\$ (62,242)
Investment income	<u>200</u>	<u>200</u>	<u>324</u>	<u>124</u>
Total Revenues	<u>660,200</u>	<u>660,200</u>	<u>598,082</u>	<u>(62,118)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	172,205	172,205	172,204	1
Contractual services	437,996	231,866	169,722	62,144
Capital outlay	<u>-</u>	<u>206,130</u>	<u>41,226</u>	<u>164,904</u>
Total Expenditures	<u>610,201</u>	<u>610,201</u>	<u>383,152</u>	<u>227,049</u>
Net Change in Fund Balance	\$ <u>49,999</u>	\$ <u>49,999</u>	214,930	\$ <u>164,931</u>
Fund Deficit - Beginning of Year			<u>(166,612)</u>	
Fund Balance - End of Year			\$ <u>48,318</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROBATION SERVICE FEE FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 338,000	\$ 338,000	\$ 339,040	\$ 1,040
Investment income	1,200	1,200	1,033	(167)
Miscellaneous	-	-	3,606	3,606
Total Revenues	339,200	339,200	343,679	4,479
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	91,193	91,193	67,122	24,071
Contractual services	359,000	359,000	306,333	52,667
Commodities	43,000	43,000	10,521	32,479
Capital outlay	20,000	20,000	-	20,000
Total Expenditures	513,193	513,193	383,976	129,217
Deficiency of revenues over expenditures	(173,993)	(173,993)	(40,297)	133,696
OTHER FINANCING USES				
Transfers out	(2,500)	(2,500)	-	2,500
Net Change in Fund Balance	\$ (176,493)	\$ (176,493)	(40,297)	\$ 136,196
Fund Balance - Beginning of Year			714,227	
Fund Balance - End of Year			\$ 673,930	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HUD GRANTS FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ <u>1,956,341</u>	\$ <u>4,237,510</u>	\$ <u>1,445,027</u>	\$ <u>(2,792,483)</u>
EXPENDITURES				
Current				
Community development				
Personnel services	325,695	487,519	309,006	178,513
Contractual services	1,598,029	3,730,374	1,339,165	2,391,209
Commodities	<u>32,617</u>	<u>19,617</u>	<u>2,054</u>	<u>17,563</u>
Total Expenditures	<u>1,956,341</u>	<u>4,237,510</u>	<u>1,650,225</u>	<u>2,587,285</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	(205,198)	\$ <u><u>(205,198)</u></u>
Fund Balance - Beginning of Year			<u>205,198</u>	
Fund Balance - End of Year			\$ <u><u>-</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DENTAL CARE CLINIC FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 71,000	\$ 71,000	\$ 41,120	\$ (29,880)
Grants, contributions, and intergovernmental	444,000	449,000	273,108	(175,892)
Investment income	<u>700</u>	<u>700</u>	<u>494</u>	<u>(206)</u>
Total Revenues	<u>515,700</u>	<u>520,700</u>	<u>314,722</u>	<u>(205,978)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	496,301	496,301	394,913	101,388
Contractual services	93,100	95,390	60,735	34,655
Commodities	<u>18,600</u>	<u>21,100</u>	<u>12,359</u>	<u>8,741</u>
Total Expenditures	<u>608,001</u>	<u>612,791</u>	<u>468,007</u>	<u>144,784</u>
Net Change in Fund Balance	\$ <u>(92,301)</u>	\$ <u>(92,091)</u>	(153,285)	\$ <u>(61,194)</u>
Fund Balance - Beginning of Year			<u>373,834</u>	
Fund Balance - End of Year			\$ <u>220,549</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT AUTOMATION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 700,000	\$ 700,000	\$ 617,256	\$ (82,744)
Investment income	<u>200</u>	<u>200</u>	<u>329</u>	<u>129</u>
Total Revenues	<u>700,200</u>	<u>700,200</u>	<u>617,585</u>	<u>(82,615)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	165,735	165,735	153,711	12,024
Contractual services	469,920	469,920	254,230	215,690
Commodities	<u>15,000</u>	<u>15,000</u>	<u>7,453</u>	<u>7,547</u>
Total Expenditures	<u>650,655</u>	<u>650,655</u>	<u>415,394</u>	<u>235,261</u>
Net Change in Fund Balance	\$ <u>49,545</u>	\$ <u>49,545</u>	202,191	\$ <u>152,646</u>
Fund Balance - Beginning of Year			<u>130,707</u>	
Fund Balance - End of Year			\$ <u>332,898</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS CRIMINAL JUSTICE AUTHORITY FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 66,715	\$ 66,715	\$ 66,715	\$ -
Investment income	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
Total Revenues	66,715	66,715	66,732	17
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	<u>66,715</u>	<u>66,715</u>	<u>66,715</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	17	\$ <u>17</u>
Fund Balance - Beginning of Year			<u>1,162</u>	
Fund Balance - End of Year			\$ <u>1,179</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT ADMIN FUND
For the Year Ended November 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 85,000	\$ 85,000	\$ 84,952	\$ (48)
Investment income	200	200	263	63
Total Revenues	<u>85,200</u>	<u>85,200</u>	<u>85,215</u>	<u>15</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	23,447	23,447	22,763	684
Contractual services	23,776	23,776	21,618	2,158
Commodities	<u>35,000</u>	<u>35,000</u>	<u>34,670</u>	<u>330</u>
Total Expenditures	<u>82,223</u>	<u>82,223</u>	<u>79,051</u>	<u>3,172</u>
Net Change in Fund Balance	<u>\$ 2,977</u>	<u>\$ 2,977</u>	6,164	<u>\$ 3,187</u>
Fund Balance - Beginning of Year			<u>170,679</u>	
Fund Balance - End of Year			<u>\$ 176,843</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMDT FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ <u>20,500</u>	\$ <u>20,500</u>	\$ <u>19,517</u>	\$ <u>(983)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	37,000	37,000	36,238	762
Commodities	<u>10,000</u>	<u>10,000</u>	<u>8,357</u>	<u>1,643</u>
Total Expenditures	<u>47,000</u>	<u>47,000</u>	<u>44,595</u>	<u>2,405</u>
Deficiency of revenues over expenditures	(26,500)	(26,500)	(25,078)	1,422
OTHER FINANCING SOURCES				
Transfers in	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Net Change in Fund Balance	\$ <u>(24,000)</u>	\$ <u>(24,000)</u>	(25,078)	\$ <u>(1,078)</u>
Fund Balance - Beginning of Year			<u>36,857</u>	
Fund Balance - End of Year			\$ <u>11,779</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TREASURER'S PASSPORT SERVICES FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 55,000	\$ 55,000	\$ 99,989	\$ 44,989
Investment income	<u>200</u>	<u>200</u>	<u>328</u>	<u>128</u>
Total Revenues	<u>55,200</u>	<u>55,200</u>	<u>100,317</u>	<u>45,117</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	64,050	64,050	64,050	-
Contractual services	71,600	71,600	3,161	68,439
Commodities	<u>51,000</u>	<u>51,000</u>	<u>1,341</u>	<u>49,659</u>
Total Expenditures	<u>186,650</u>	<u>186,650</u>	<u>68,552</u>	<u>118,098</u>
Net Change in Fund Balance	\$ <u>(131,450)</u>	\$ <u>(131,450)</u>	31,765	\$ <u>163,215</u>
Fund Balance - Beginning of Year			<u>177,943</u>	
Fund Balance - End of Year			\$ <u>209,708</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE'S ATTORNEY AUTOMATION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 28,000	\$ 28,000	\$ 28,028	\$ 28
Investment income	<u>9</u>	<u>9</u>	<u>75</u>	<u>66</u>
Total Revenues	28,009	28,009	28,103	94
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>28,009</u>	\$ <u>28,009</u>	28,103	\$ <u>94</u>
Fund Balance - Beginning of Year			<u>35,894</u>	
Fund Balance - End of Year			\$ <u>63,997</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DUI CONVICTION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 21,000	\$ 21,000	\$ 25,423	\$ 4,423
EXPENDITURES				
Current				
Public safety				
Commodities	<u>21,000</u>	<u>23,000</u>	<u>9,841</u>	<u>13,159</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(2,000)</u>	15,582	\$ <u>17,582</u>
Fund Balance - Beginning of Year			<u>77,964</u>	
Fund Balance - End of Year			\$ <u>93,546</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GEOGRAPHIC INFORMATION SYSTEMS FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 973,000	\$ 973,000	\$ 645,911	\$ (327,089)
Investment income	<u>2,500</u>	<u>2,500</u>	<u>2,773</u>	<u>273</u>
Total Revenues	<u>975,500</u>	<u>975,500</u>	<u>648,684</u>	<u>(326,816)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	512,738	512,738	517,138	(4,400)
Contractual services	460,250	460,250	277,321	182,929
Commodities	<u>38,750</u>	<u>38,750</u>	<u>36,237</u>	<u>2,513</u>
Total Expenditures	<u>1,011,738</u>	<u>1,011,738</u>	<u>830,696</u>	<u>181,042</u>
Net Change in Fund Balance	\$ <u><u>(36,238)</u></u>	\$ <u><u>(36,238)</u></u>	(182,012)	\$ <u><u>(145,774)</u></u>
Fund Balance - Beginning of Year			<u>1,884,222</u>	
Fund Balance - End of Year			\$ <u><u>1,702,210</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REVOLVING LOAN FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 31,496	\$ 31,496	\$ 38,797	\$ 7,301
Miscellaneous	<u>-</u>	<u>-</u>	<u>100,100</u>	<u>100,100</u>
Total Revenues	31,496	31,496	138,897	107,401
EXPENDITURES				
Current				
Community development				
Contractual services	<u>105,000</u>	<u>105,000</u>	<u>288</u>	<u>104,712</u>
Net Change in Fund Balance	<u>\$ (73,504)</u>	<u>\$ (73,504)</u>	138,609	<u>\$ 212,113</u>
Fund Balance - Beginning of Year			<u>1,724,934</u>	
Fund Balance - End of Year			<u>\$ 1,863,543</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH SCHOLARSHIP FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 10	\$ (90)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Net Change in Fund Balance	\$ <u>(3,000)</u>	\$ <u>(3,000)</u>	10	\$ <u>3,010</u>
Fund Balance - Beginning of Year			<u>6,303</u>	
Fund Balance - End of Year			\$ <u>6,313</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SENIOR SERVICES FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,722,527	\$ (2,473)
Investment income	<u>4,020</u>	<u>4,020</u>	<u>4,451</u>	<u>431</u>
Total Revenues	<u>1,729,020</u>	<u>1,729,020</u>	<u>1,726,978</u>	<u>(2,042)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	-	11,500	8,083	3,417
Contractual services	1,725,000	1,751,672	1,728,924	22,748
Commodities	<u>-</u>	<u>500</u>	<u>122</u>	<u>378</u>
Total Expenditures	<u>1,725,000</u>	<u>1,763,672</u>	<u>1,737,129</u>	<u>26,543</u>
Excess (deficiency) of revenues over expenditures	4,020	(34,652)	(10,151)	24,501
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>12,000</u>	<u>8,205</u>	<u>(3,795)</u>
Net Change in Fund Balance	\$ <u>4,020</u>	\$ <u>(22,652)</u>	(1,946)	\$ <u>20,706</u>
Fund Balance - Beginning of Year			<u>2,847,176</u>	
Fund Balance - End of Year			\$ <u>2,845,230</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RTA SALES TAX FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ 9,085,000	\$ 9,085,000	\$ 9,712,705	\$ 627,705
Investment income	<u>13,000</u>	<u>13,000</u>	<u>10,493</u>	<u>(2,507)</u>
Total Revenues	9,098,000	9,098,000	9,723,198	625,198
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	9,098,000	9,098,000	9,723,198	625,198
OTHER FINANCING USES				
Transfers out	<u>(16,611,211)</u>	<u>(16,611,211)</u>	<u>(9,842,946)</u>	<u>6,768,265</u>
Net Change in Fund Balance	\$ <u><u>(7,513,211)</u></u>	\$ <u><u>(7,513,211)</u></u>	(119,748)	\$ <u><u>7,393,463</u></u>
Fund Balance - Beginning of Year			<u>11,348,453</u>	
Fund Balance - End of Year			\$ <u><u>11,228,705</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE LOSS FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 2,750,000	\$ 2,750,000	\$ 2,745,994	\$ (4,006)
Investment income	<u>20</u>	<u>20</u>	<u>69</u>	<u>49</u>
Total Revenues	<u>2,750,020</u>	<u>2,750,020</u>	<u>2,746,063</u>	<u>(3,957)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	1,092,790	1,092,790	1,066,677	26,113
Contractual services	2,698,621	2,699,127	1,612,455	1,086,672
Commodities	<u>24,340</u>	<u>24,340</u>	<u>4,445</u>	<u>19,895</u>
Total Expenditures	<u>3,815,751</u>	<u>3,816,257</u>	<u>2,683,577</u>	<u>1,132,680</u>
Excess (deficiency) of revenues over expenditures	(1,065,731)	(1,066,237)	62,486	1,128,723
OTHER FINANCING SOURCES				
Insurance recoveries	<u>45,000</u>	<u>45,000</u>	<u>710,657</u>	<u>665,657</u>
Net Change in Fund Balance	<u>\$ (1,020,731)</u>	<u>\$ (1,021,237)</u>	773,143	<u>\$ 1,794,380</u>
Fund Balance - Beginning of Year			<u>15,189,846</u>	
Fund Balance - End of Year			<u>\$ 15,962,989</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT CLERK ELECTRONIC CITATION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 45,000	\$ 45,000	\$ 41,142	\$ (3,858)
Investment income	<u>100</u>	<u>100</u>	<u>71</u>	<u>(29)</u>
Total Revenues	45,100	45,100	41,213	(3,887)
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	<u>45,100</u>	<u>45,100</u>	<u>42,564</u>	<u>2,536</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	(1,351)	\$ <u>(1,351)</u>
Fund Balance - Beginning of Year			<u>39,985</u>	
Fund Balance - End of Year			\$ <u>38,634</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 4,272,301	\$ 4,272,301	\$ 6,189,159	\$ 1,916,858
Investment income	<u>30,000</u>	<u>30,000</u>	<u>26,152</u>	<u>(3,848)</u>
Total Revenues	<u>4,302,301</u>	<u>4,302,301</u>	<u>6,215,311</u>	<u>1,913,010</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	144,602	144,602	144,602	-
Contractual services	3,350,000	5,591,405	3,750,043	1,841,362
Commodities	170,000	170,000	119,116	50,884
Capital outlay	<u>4,355,000</u>	<u>10,004,120</u>	<u>1,413,125</u>	<u>8,590,995</u>
Total Expenditures	<u>8,019,602</u>	<u>15,910,127</u>	<u>5,426,886</u>	<u>10,483,241</u>
Net Change in Fund Balance	<u>\$ (3,717,301)</u>	<u>\$ (11,607,826)</u>	788,425	<u>\$ 12,396,251</u>
Fund Balance - Beginning of Year			<u>14,829,796</u>	
Fund Balance - End of Year			<u>\$ 15,618,221</u>	

NONMAJOR DEBT SERVICE FUNDS

Series 2006 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2007 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2007 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2008 Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2010 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2010 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2012 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended November 30, 2014

	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund	Series 2008 Certificate Fund
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	530,000	510,000	5,295,000	440,000
Interest and fiscal charges	<u>210,865</u>	<u>78,203</u>	<u>902,265</u>	<u>107,778</u>
Total Expenditures	<u>740,865</u>	<u>588,203</u>	<u>6,197,265</u>	<u>547,778</u>
Deficiency of revenues over expenditures	(740,865)	(588,203)	(6,197,265)	(547,778)
OTHER FINANCING SOURCES				
Transfers in	<u>740,865</u>	<u>588,203</u>	<u>6,197,265</u>	<u>547,778</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Series 2010 A Certificate Fund	Series 2010 B Certificate Fund	Series 2012 B Certificate Fund	Totals
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
1,050,000	260,000	1,245,000	9,330,000
<u>158,478</u>	<u>155,741</u>	<u>84,587</u>	<u>1,697,917</u>
<u>1,208,478</u>	<u>415,741</u>	<u>1,329,587</u>	<u>11,027,917</u>
(1,208,478)	(415,741)	(1,329,587)	(11,027,917)
<u>1,208,478</u>	<u>415,741</u>	<u>1,329,587</u>	<u>11,027,917</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2006 A CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	530,000	530,000	530,000	-
Interest and fiscal charges	<u>210,438</u>	<u>210,868</u>	<u>210,865</u>	<u>3</u>
Total Expenditures	<u>740,438</u>	<u>740,868</u>	<u>740,865</u>	<u>3</u>
Deficiency of revenues over expenditures	(740,438)	(740,868)	(740,865)	3
OTHER FINANCING SOURCES				
Transfers in	<u>740,438</u>	<u>740,868</u>	<u>740,865</u>	<u>(3)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 A CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	510,000	510,000	510,000	-
Interest and fiscal charges	<u>77,828</u>	<u>78,208</u>	<u>78,203</u>	<u>5</u>
Total Expenditures	<u>587,828</u>	<u>588,208</u>	<u>588,203</u>	<u>5</u>
Deficiency of revenues over expenditures	(587,828)	(588,208)	(588,203)	5
OTHER FINANCING SOURCES				
Transfers in	<u>587,828</u>	<u>588,208</u>	<u>588,203</u>	<u>(5)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 B CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	5,295,000	5,295,000	5,295,000	-
Interest and fiscal charges	<u>901,891</u>	<u>902,271</u>	<u>902,265</u>	<u>6</u>
Total Expenditures	<u>6,196,891</u>	<u>6,197,271</u>	<u>6,197,265</u>	<u>6</u>
Deficiency of revenues over expenditures	(6,196,891)	(6,197,271)	(6,197,265)	6
OTHER FINANCING SOURCES				
Transfers in	<u>6,196,891</u>	<u>6,197,271</u>	<u>6,197,265</u>	<u>(6)</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			\$ <u>-</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2008 CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	440,000	440,000	440,000	-
Interest and fiscal charges	<u>107,778</u>	<u>107,778</u>	<u>107,778</u>	<u>-</u>
Total Expenditures	<u>547,778</u>	<u>547,778</u>	<u>547,778</u>	<u>-</u>
Deficiency of revenues over expenditures	(547,778)	(547,778)	(547,778)	-
OTHER FINANCING SOURCES				
Transfers in	<u>547,778</u>	<u>547,778</u>	<u>547,778</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2010 A CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	1,050,000	1,050,000	1,050,000	-
Interest and fiscal charges	<u>158,478</u>	<u>158,478</u>	<u>158,478</u>	<u>-</u>
Total Expenditures	<u>1,208,478</u>	<u>1,208,478</u>	<u>1,208,478</u>	<u>-</u>
Deficiency of revenues over expenditures	(1,208,478)	(1,208,478)	(1,208,478)	-
OTHER FINANCING SOURCES				
Transfers in	<u>1,208,478</u>	<u>1,208,478</u>	<u>1,208,478</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2010 B CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	260,000	260,000	260,000	-
Interest and fiscal charges	<u>155,741</u>	<u>155,741</u>	<u>155,741</u>	<u>-</u>
Total Expenditures	<u>415,741</u>	<u>415,741</u>	<u>415,741</u>	<u>-</u>
Deficiency of revenues over expenditures	(415,741)	(415,741)	(415,741)	-
OTHER FINANCING SOURCES				
Transfers in	<u>415,741</u>	<u>415,741</u>	<u>415,741</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2012 B CERTIFICATE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	1,245,000	1,245,000	1,245,000	-
Interest and fiscal charges	<u>84,584</u>	<u>84,587</u>	<u>84,587</u>	<u>-</u>
Total Expenditures	<u>1,329,584</u>	<u>1,329,587</u>	<u>1,329,587</u>	<u>-</u>
Deficiency of revenues over expenditures	(1,329,584)	(1,329,587)	(1,329,587)	-
OTHER FINANCING SOURCES				
Transfers in	<u>1,329,584</u>	<u>1,329,587</u>	<u>1,329,587</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

NONMAJOR CAPITAL PROJECT FUNDS

Series 2010A Capital Projects Fund - to account for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002 A debt certificates. Resources for the fund were provided by proceeds from Series 2010A debt certificates.

Mental Health Facility Expansion Fund - to account for the expansion of the County mental health facility. Resources for the fund were provided by proceeds from Series 2010B debt certificates.

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended November 30, 2014

	Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
REVENUES			
Investment income	\$ 27	\$ 2	\$ 29
EXPENDITURES			
Capital outlay	<u>55,671</u>	<u>4,368</u>	<u>60,039</u>
Net Change in Fund Balances	(55,644)	(4,366)	(60,010)
Fund Balances - Beginning of Year	<u>55,644</u>	<u>4,366</u>	<u>60,010</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2010A CAPITAL PROJECTS FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 27	\$ 27
EXPENDITURES				
Capital outlay	<u>-</u>	<u>55,941</u>	<u>55,671</u>	<u>270</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(55,941)</u>	(55,644)	\$ <u>297</u>
Fund Balance - Beginning of Year			<u>55,644</u>	
Fund Balance - End of Year			\$ <u>-</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MENTAL HEALTH FACILITY EXPANSION FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 2	\$ 2
EXPENDITURES				
Capital outlay	<u>-</u>	<u>4,509</u>	<u>4,368</u>	<u>141</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(4,509)</u>	(4,366)	\$ <u>143</u>
Fund Balance - Beginning of Year			<u>4,366</u>	
Fund Balance - End of Year			\$ <u>-</u>	

NONMAJOR PERMANENT FUNDS

Working Cash I and II Funds – to account for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the fund may not be expended.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
November 30, 2014

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
ASSETS			
Cash and equivalents	\$ 410	\$ 163,205	\$ 163,615
Due from other funds	<u>331,000</u>	<u>306,500</u>	<u>637,500</u>
Total Assets	<u>\$ 331,410</u>	<u>\$ 469,705</u>	<u>\$ 801,115</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 109	\$ 345	\$ 454
Fund Balances			
Nonspendable	<u>331,301</u>	<u>469,360</u>	<u>800,661</u>
Total Liabilities and Fund Balances	<u>\$ 331,410</u>	<u>\$ 469,705</u>	<u>\$ 801,115</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2014

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 109	\$ 345	\$ 454
EXPENDITURES	-	-	-
Excess of revenues over expenditures	109	345	454
OTHER FINANCING USES			
Transfers out	(109)	(345)	(454)
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning of Year	331,301	469,360	800,661
Fund Balances - End of Year	\$ 331,301	\$ 469,360	\$ 800,661

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 1 FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 650	\$ 650	\$ 109	\$ (541)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	650	650	109	(541)
OTHER FINANCING USES				
Transfers out	<u>(650)</u>	<u>(650)</u>	<u>(109)</u>	<u>541</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>331,301</u>	
Fund Balance - End of Year			\$ <u>331,301</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 2 FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 700	\$ 700	\$ 345	\$ (355)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	700	700	345	(355)
OTHER FINANCING USES				
Transfers out	<u>(700)</u>	<u>(700)</u>	<u>(345)</u>	<u>355</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance - Beginning of Year			<u>469,360</u>	
Fund Balance - End of Year			\$ <u>469,360</u>	

ENTERPRISE FUNDS

Major Fund:

Valley Hi Fund – to account for the activities of the Valley Hi nursing home.

Nonmajor Fund:

911 Fund (Emergency Telephone Services Board Fund) – to account for funds raised through a telephone surcharge tax on each telephone line in the County. The money collected is distributed to this fund net of a small collection charge retained by the telephone company. The funds are used to operate and equip a 911 telephone dispatch center within the County area.

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
VALLEY HI FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 9,755,000	\$ 9,825,633	\$ 10,713,820	\$ 888,187
Other	<u>9,000</u>	<u>9,000</u>	<u>19,290</u>	<u>10,290</u>
Total Operating Revenues	<u>\$ 9,764,000</u>	<u>\$ 9,834,633</u>	<u>\$ 10,733,110</u>	<u>\$ 898,477</u>
OPERATING EXPENSES				
Personnel services	\$ 7,408,141	\$ 7,408,141	\$ 7,492,470	\$ (84,329)
Contractual services	1,949,733	2,042,855	1,928,234	114,621
Commodities	<u>1,075,640</u>	<u>1,094,793</u>	<u>981,971</u>	<u>112,822</u>
Total operating expenses before capital outlay	<u>10,433,514</u>	<u>10,545,789</u>	<u>10,402,675</u>	<u>143,114</u>
Capital outlay	40,000	250,063	21,331	228,732
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(21,331)</u>	<u>21,331</u>
Adjusted capital outlay	<u>40,000</u>	<u>250,063</u>	<u>-</u>	<u>250,063</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 10,473,514</u>	<u>\$ 10,795,852</u>	<u>\$ 10,402,675</u>	<u>\$ 393,177</u>
NONOPERATING REVENUES				
Property taxes	\$ 4,500,000	\$ 4,500,000	\$ 4,493,330	\$ (6,670)
Investment income	<u>100,100</u>	<u>100,100</u>	<u>62,595</u>	<u>(37,505)</u>
Total Nonoperating Revenues	<u>\$ 4,600,100</u>	<u>\$ 4,600,100</u>	<u>\$ 4,555,925</u>	<u>\$ (44,175)</u>
NONOPERATING EXPENSES				
Interest expense	<u>\$ 15,174</u>	<u>\$ 15,174</u>	<u>\$ 700</u>	<u>\$ 14,474</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
911 FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 2,170,000	\$ 2,170,000	\$ 2,523,043	\$ 353,043
Other	<u>-</u>	<u>-</u>	<u>38</u>	<u>38</u>
Total Operating Revenues	<u>\$ 2,170,000</u>	<u>\$ 2,170,000</u>	<u>\$ 2,523,081</u>	<u>\$ 353,081</u>
OPERATING EXPENSES				
Personnel services	\$ 385,677	\$ 385,677	\$ 344,030	\$ 41,647
Contractual services	1,731,730	1,821,730	1,668,830	152,900
Commodities	<u>241,200</u>	<u>562,814</u>	<u>54,699</u>	<u>508,115</u>
Total operating expenses before capital outlay	<u>2,358,607</u>	<u>2,770,221</u>	<u>2,067,559</u>	<u>702,662</u>
Capital outlay	20,000	443,580	250,790	192,790
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(198,158)</u>	<u>198,158</u>
Adjusted capital outlay	<u>20,000</u>	<u>443,580</u>	<u>52,632</u>	<u>390,948</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 2,378,607</u>	<u>\$ 3,213,801</u>	<u>\$ 2,120,191</u>	<u>\$ 1,093,610</u>
NONOPERATING REVENUES				
Investment income	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 5,500</u>	<u>\$ (2,000)</u>

INTERNAL SERVICE FUND

Health Insurance Fund – to account for employee medical, dental, and prescription insurance premiums and claims.

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
EXPENSES - BUDGET AND ACTUAL
HEALTH INSURANCE FUND
For the Year Ended November 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>19,678,910</u>	\$ <u>19,678,910</u>	\$ <u>18,323,336</u>	\$ <u>(1,355,574)</u>
OPERATING EXPENSES				
Personnel Services	\$ 69,632	\$ 69,632	\$ 68,456	\$ 1,176
Contractual services	19,909,753	19,909,753	17,389,689	2,520,064
Commodities	<u>6,625</u>	<u>6,625</u>	<u>3,439</u>	<u>3,186</u>
Total Operating Expenses	\$ <u>19,986,010</u>	\$ <u>19,986,010</u>	\$ <u>17,461,584</u>	\$ <u>2,524,426</u>
NONOPERATING REVENUES				
Investment income	\$ <u>4,500</u>	\$ <u>4,500</u>	\$ <u>7,936</u>	\$ <u>3,436</u>

AGENCY FUNDS

Treasurer Fund – to account for the funds held by the Treasurer as an agent responsible for drainage districts, the inheritance tax account, protested taxes, tax sales escrow, and interest earned on real estate taxes.

Clerk of the Circuit Court Fund – to account for the funds held by the Clerk of the Circuit Court as an agent for the courts.

Highway Fund – to account for township motor fuel tax funds held by the Division of Transportation.

Valley Hi Resident Fund – to account for the funds held by Valley Hi Nursing Home as an agent for residents and donations made for the benefit of the residents.

County Clerk Redemption Fund – to account for the funds held by the County Clerk as an agent for delinquent tax payers.

Collector Fund – to account for the funds held by the County as an agent responsible for collecting property taxes.

Illinois Housing Surcharge Fund - to account for the rental housing support program surcharge that is collected for the recording of real estate documents and remitted to the State.

County of McHenry, Illinois
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

	Treasurer Fund	Clerk of the Circuit Court Fund	Highway Fund	Valley Hi Resident Fund
ASSETS				
Cash and equivalents	\$ 1,904,143	\$ 3,572,888	\$ 1,358,557	\$ 43,187
Due from other governments	<u>-</u>	<u>-</u>	<u>87,826</u>	<u>-</u>
Total Assets	<u><u>\$ 1,904,143</u></u>	<u><u>\$ 3,572,888</u></u>	<u><u>\$ 1,446,383</u></u>	<u><u>\$ 43,187</u></u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 405,644	\$ -
Due to residents	-	-	-	43,187
Bond escrow	-	2,508,298	-	-
Due to other governments	1,904,143	529,708	1,040,739	-
Other liabilities	<u>-</u>	<u>534,882</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>\$ 1,904,143</u></u>	<u><u>\$ 3,572,888</u></u>	<u><u>\$ 1,446,383</u></u>	<u><u>\$ 43,187</u></u>

County Clerk Redemption Fund	Collector Fund	Illinois Housing Surcharge Fund	Totals
\$ 299,491	\$ 6,902,819	\$ 25,434	\$ 14,106,519
-	-	-	87,826
<u>\$ 299,491</u>	<u>\$ 6,902,819</u>	<u>\$ 25,434</u>	<u>\$ 14,194,345</u>
\$ -	\$ -	\$ -	\$ 405,644
-	-	-	43,187
-	-	-	2,508,298
-	6,902,819	25,434	10,402,843
<u>299,491</u>	<u>-</u>	<u>-</u>	<u>834,373</u>
<u>\$ 299,491</u>	<u>\$ 6,902,819</u>	<u>\$ 25,434</u>	<u>\$ 14,194,345</u>

County of McHenry, Illinois
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended November 30, 2014

	Balance December 1, 2013	Additions	Deductions	Balance November 30, 2014
Treasurer Fund				
ASSETS				
Cash and equivalents	\$ 1,702,447	\$ 4,753,737	\$ 4,552,041	\$ 1,904,143
LIABILITIES				
Due to other governments	\$ 1,702,447	\$ 4,753,737	\$ 4,552,041	\$ 1,904,143
Clerk of the Circuit Court Fund				
ASSETS				
Cash and equivalents	\$ 3,629,167	\$ 25,812,342	\$ 25,868,621	\$ 3,572,888
LIABILITIES				
Bond escrow	\$ 2,546,935	\$ 5,180,757	\$ 5,219,394	\$ 2,508,298
Due to other governments	636,943	15,054,360	15,161,595	529,708
Other liabilities	445,289	5,577,225	5,487,632	534,882
Total Liabilities	\$ 3,629,167	\$ 25,812,342	\$ 25,868,621	\$ 3,572,888
Highway Fund				
ASSETS				
Cash and equivalents	\$ 1,172,497	\$ 1,391,823	\$ 1,205,763	\$ 1,358,557
Due from other governments	75,168	12,658	-	87,826
Total Assets	\$ 1,247,665	\$ 1,404,481	\$ 1,205,763	\$ 1,446,383
LIABILITIES				
Accounts payable	\$ 155,625	\$ 1,437,328	\$ 1,187,309	\$ 405,644
Due to other governments	1,092,040	1,391,822	1,443,123	1,040,739
Total Liabilities	\$ 1,247,665	\$ 2,829,150	\$ 2,630,432	\$ 1,446,383
Valley Hi Resident Fund				
ASSETS				
Cash and equivalents	\$ 50,463	\$ 30,657	\$ 37,933	\$ 43,187
LIABILITIES				
Due to residents	\$ 50,463	\$ 30,657	\$ 37,933	\$ 43,187

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended November 30, 2014

	Balance December 1, 2013	Additions	Deductions	Balance November 30, 2014
County Clerk Redemption Fund				
ASSETS				
Cash and equivalents	\$ 870,338	\$ 14,654,754	\$ 15,225,601	\$ 299,491
LIABILITIES				
Other liabilities	\$ 870,338	\$ 14,654,754	\$ 15,225,601	\$ 299,491
Collector Fund				
ASSETS				
Cash and equivalents	\$ 7,567,558	\$ 815,871,671	\$ 816,536,410	\$ 6,902,819
LIABILITIES				
Due to other governments	\$ 7,567,558	\$ 815,871,671	\$ 816,536,410	\$ 6,902,819
Illinois Housing Surcharge Fund				
ASSETS				
Cash and equivalents	\$ 105,957	\$ 350,865	\$ 431,388	\$ 25,434
LIABILITIES				
Due to other governments	\$ 105,957	\$ 350,865	\$ 431,388	\$ 25,434
Totals				
ASSETS				
Cash and equivalents	\$ 15,098,427	\$ 862,865,849	\$ 863,857,757	\$ 14,106,519
Due from other governments	75,168	12,658	-	87,826
Total Assets	\$ 15,173,595	\$ 862,878,507	\$ 863,857,757	\$ 14,194,345
LIABILITIES				
Accounts payable	\$ 155,625	\$ 1,437,328	\$ 1,187,309	\$ 405,644
Due to residents	50,463	30,657	37,933	43,187
Bond escrow	2,546,935	5,180,757	5,219,394	2,508,298
Due to other governments	11,104,945	837,422,455	838,124,557	10,402,843
Other liabilities	1,315,627	20,231,979	20,713,233	834,373
Total Liabilities	\$ 15,173,595	\$ 864,303,176	\$ 865,282,426	\$ 14,194,345

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2014

STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	151 - 158
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate the County's most significant own-source revenue, property taxes.	159 - 163
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	164 - 168
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	169 - 170
Operating Information	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	171 - 173

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

County of McHenry, Illinois
NET POSITION - BY COMPONENT
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net investment in capital assets	\$ 145,163,278	\$ 154,597,466	\$ 168,077,235	\$ 186,108,100
Restricted	61,238,252	72,186,833	83,884,874	94,814,206
Unrestricted	<u>39,567,120</u>	<u>44,583,626</u>	<u>50,060,006</u>	<u>43,594,428</u>
Total Governmental Activities	<u>\$ 245,968,650</u>	<u>\$ 271,367,925</u>	<u>\$ 302,022,115</u>	<u>\$ 324,516,734</u>
Business-Type Activities				
Net investment in capital assets	\$ 2,960,686	\$ 5,061,542	\$ 4,531,583	\$ 4,568,317
Restricted	-	-	411,176	41,191
Unrestricted	<u>10,931,627</u>	<u>13,770,255</u>	<u>16,996,918</u>	<u>22,272,580</u>
Total Business-Type Activities	<u>\$ 13,892,313</u>	<u>\$ 18,831,797</u>	<u>\$ 21,939,677</u>	<u>\$ 26,882,088</u>
Primary Government				
Net investment in capital assets	\$ 148,123,964	\$ 159,659,008	\$ 172,608,818	\$ 190,676,417
Restricted	61,238,252	72,186,833	84,296,050	94,855,397
Unrestricted	<u>50,498,747</u>	<u>58,353,881</u>	<u>67,056,924</u>	<u>65,867,008</u>
Total Primary Government	<u>\$ 259,860,963</u>	<u>\$ 290,199,722</u>	<u>\$ 323,961,792</u>	<u>\$ 351,398,822</u>

2009	2010	2011	2012	2013	2014
\$ 193,667,253	\$ 209,424,352	\$ 223,693,448	\$ 238,349,986	\$ 254,679,031	\$ 270,863,664
110,628,189	107,121,300	116,754,427	111,049,850	109,592,257	107,428,692
<u>44,841,564</u>	<u>48,003,693</u>	<u>39,868,128</u>	<u>39,069,307</u>	<u>34,014,313</u>	<u>32,142,348</u>
<u>\$ 349,137,006</u>	<u>\$ 364,549,345</u>	<u>\$ 380,316,003</u>	<u>\$ 388,469,143</u>	<u>\$ 398,285,601</u>	<u>\$ 410,434,704</u>
\$ 7,291,886	\$ 7,709,277	\$ 7,685,488	\$ 15,518,830	\$ 14,473,854	\$ 13,804,011
492,746	693,237	707,422	-	-	-
<u>23,773,241</u>	<u>27,700,590</u>	<u>33,962,683</u>	<u>32,871,174</u>	<u>38,846,898</u>	<u>43,875,013</u>
<u>\$ 31,557,873</u>	<u>\$ 36,103,104</u>	<u>\$ 42,355,593</u>	<u>\$ 48,390,004</u>	<u>\$ 53,320,752</u>	<u>\$ 57,679,024</u>
\$ 200,959,139	\$ 217,133,629	\$ 231,378,936	\$ 253,868,816	\$ 269,152,885	\$ 284,667,675
111,120,935	107,814,537	117,461,849	111,049,850	109,592,257	107,428,692
<u>68,614,805</u>	<u>75,704,283</u>	<u>73,830,811</u>	<u>71,940,481</u>	<u>72,861,211</u>	<u>76,017,361</u>
<u>\$ 380,694,879</u>	<u>\$ 400,652,449</u>	<u>\$ 422,671,596</u>	<u>\$ 436,859,147</u>	<u>\$ 451,606,353</u>	<u>\$ 468,113,728</u>

County of McHenry, Illinois
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities										
General and administrative	\$ 28,374,915	\$ 33,304,143	\$ 28,649,900	\$ 36,269,025	\$ 32,184,476	\$ 34,857,021	\$ 31,708,738	\$ 35,519,392	\$ 36,716,979	\$ 34,302,304
Community development	3,554,274	2,678,785	3,449,524	2,169,597	3,027,001	7,364,952	4,770,885	4,286,876	4,031,197	3,719,430
Transportation	10,246,229	10,997,498	12,260,312	13,292,664	18,281,173	17,782,366	18,281,227	19,818,851	19,462,103	21,339,490
Public safety	24,600,341	28,854,125	30,956,789	33,132,115	38,590,241	38,047,322	38,737,004	38,884,186	40,757,655	40,980,612
Judiciary and court related	10,056,275	10,916,010	12,829,189	13,518,255	13,604,193	13,778,713	13,943,432	13,996,893	14,081,733	14,255,999
Public health and welfare	21,190,249	23,454,095	24,368,771	27,184,973	28,574,453	28,710,653	27,557,830	28,423,928	24,957,498	23,516,262
Interest and fiscal charges	1,125,887	1,257,230	2,149,414	3,312,029	3,182,260	3,102,232	2,726,775	2,336,518	1,901,744	1,534,221
Total Governmental Activities	99,148,170	111,461,886	114,663,899	128,878,658	137,443,797	143,643,259	137,725,891	143,266,644	141,908,909	139,648,318
Business-Type Activities										
Public health and welfare	7,374,613	7,515,927	9,737,659	9,541,020	10,042,346	10,085,088	9,527,978	10,380,394	10,449,731	10,799,150
Public safety	1,443,884	1,652,536	1,979,992	2,011,399	2,315,535	2,331,714	2,765,086	2,580,677	2,666,421	2,660,194
Total Business-Type Activities	8,818,497	9,168,463	11,717,651	11,552,419	12,357,881	12,416,802	12,293,064	12,961,071	13,116,152	13,459,344
Total Primary Government	\$ <u>107,966,667</u>	\$ <u>120,630,349</u>	\$ <u>126,381,550</u>	\$ <u>140,431,077</u>	\$ <u>149,801,678</u>	\$ <u>156,060,061</u>	\$ <u>150,018,955</u>	\$ <u>156,227,715</u>	\$ <u>155,025,061</u>	\$ <u>153,107,662</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for services										
General and administrative	\$ 5,969,389	\$ 6,283,160	\$ 5,778,519	\$ 5,135,160	\$ 6,265,612	\$ 6,779,291	\$ 5,550,919	\$ 6,005,617	\$ 5,896,726	\$ 5,771,321
Community development	1,445,958	1,518,472	1,075,295	804,410	526,487	541,192	474,634	428,441	458,793	534,174
Transportation	124,566	114,214	135,169	96,965	86,869	69,027	63,040	95,369	88,320	91,029
Public safety	4,029,496	9,641,669	10,488,124	12,064,091	12,637,154	12,120,177	13,465,305	11,381,987	9,757,347	8,614,756
Judiciary and court related	8,335,964	8,339,350	9,595,094	9,745,480	9,716,466	9,488,739	9,122,454	8,839,484	8,078,390	8,033,346
Public health and welfare	1,737,788	1,818,859	1,964,354	2,038,370	1,961,645	2,029,130	2,016,524	1,884,605	1,806,964	1,762,156
Operating grants and contributions	22,196,108	18,505,216	23,600,690	22,656,506	31,454,008	32,636,359	25,326,118	22,450,688	21,636,743	19,319,310
Capital grants and contributions	1,050,053	2,223,295	3,800,048	5,141,148	5,778,791	1,206,453	-	255,707	1,588,971	2,882,321
Total Governmental Activities	44,889,322	48,444,235	56,437,293	57,682,130	68,427,032	64,870,368	56,018,994	51,341,898	49,312,254	47,008,413
Business-Type Activities										
Charges for services										
Public health and welfare	\$ 5,513,459	\$ 5,475,126	\$ 6,702,116	\$ 6,790,327	\$ 8,196,650	\$ 8,429,840	\$ 9,980,585	\$ 10,235,827	\$ 10,196,234	\$ 10,733,110
Public safety	1,966,275	2,032,278	2,209,926	3,223,595	2,660,384	2,491,834	2,556,939	2,736,436	2,542,348	2,523,081
Total Business-Type Activities	7,479,734	7,507,404	8,912,042	10,013,922	10,857,034	10,921,674	12,537,524	12,972,263	12,738,582	13,256,191
Total Primary Government	\$ <u>52,369,056</u>	\$ <u>55,951,639</u>	\$ <u>65,349,335</u>	\$ <u>67,696,052</u>	\$ <u>79,284,066</u>	\$ <u>75,792,042</u>	\$ <u>68,556,518</u>	\$ <u>64,314,161</u>	\$ <u>62,050,836</u>	\$ <u>60,264,604</u>

County of McHenry, Illinois
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (54,258,848)	\$ (63,017,651)	\$ (58,226,606)	\$ (71,196,528)	\$ (69,016,765)	\$ (78,772,891)	\$ (81,706,897)	\$ (91,924,746)	\$ (92,596,655)	\$ (92,639,905)
Business-Type Activities	<u>(1,338,763)</u>	<u>(1,661,059)</u>	<u>(2,805,609)</u>	<u>(1,538,497)</u>	<u>(1,500,847)</u>	<u>(1,495,128)</u>	<u>244,460</u>	<u>11,192</u>	<u>(377,570)</u>	<u>(203,153)</u>
Total Primary Government	<u>\$ (55,597,611)</u>	<u>\$ (64,678,710)</u>	<u>\$ (61,032,215)</u>	<u>\$ (72,735,025)</u>	<u>\$ (70,517,612)</u>	<u>\$ (80,268,019)</u>	<u>\$ (81,462,437)</u>	<u>\$ (91,913,554)</u>	<u>\$ (92,974,225)</u>	<u>\$ (92,843,058)</u>
GENERAL REVENUES AND TRANSFERS										
Governmental Activities										
Property taxes	\$ 51,157,800	\$ 56,249,505	\$ 60,175,903	\$ 63,395,685	\$ 67,859,666	\$ 68,390,469	\$ 70,755,868	\$ 72,206,475	\$ 73,113,284	\$ 74,017,467
Sales taxes	8,956,331	9,580,333	9,533,202	15,003,386	15,983,268	16,704,187	17,481,700	18,036,621	18,718,620	19,577,205
State income taxes	5,057,081	5,465,713	5,875,908	6,214,390	5,603,268	4,880,880	5,139,609	5,749,691	6,234,765	6,265,092
Tax transfer stamps	5,025,204	4,631,095	3,264,738	1,968,253	1,232,451	1,203,780	1,123,002	1,258,599	1,896,811	1,833,392
Other taxes	6,582,582	6,575,678	1,804,030	2,173,857	1,763,703	1,744,807	1,955,665	2,006,647	2,005,449	2,283,433
Investment income	2,669,378	5,006,956	6,713,449	4,577,645	584,228	423,535	342,007	309,709	275,817	263,632
Miscellaneous	491,906	792,329	610,444	357,931	565,895	837,572	675,704	469,454	404,762	457,065
Gain on sale of capital assets	-	115,317	71,889	-	44,558	-	-	40,690	26,164	91,722
Transfers	<u>-</u>	<u>-</u>	<u>831,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>79,940,282</u>	<u>88,416,926</u>	<u>88,880,796</u>	<u>93,691,147</u>	<u>93,637,037</u>	<u>94,185,230</u>	<u>97,473,555</u>	<u>100,077,886</u>	<u>102,675,672</u>	<u>104,789,008</u>
Business-Type Activities										
Property taxes	5,320,288	5,996,097	5,998,876	5,932,935	5,994,282	5,919,050	5,912,097	5,950,311	5,237,688	4,493,330
Investment income	234,680	479,999	745,846	547,973	182,350	121,309	95,932	72,908	70,630	68,095
Transfers	<u>-</u>	<u>-</u>	<u>(831,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>5,554,968</u>	<u>6,476,096</u>	<u>5,913,489</u>	<u>6,480,908</u>	<u>6,176,632</u>	<u>6,040,359</u>	<u>6,008,029</u>	<u>6,023,219</u>	<u>5,308,318</u>	<u>4,561,425</u>
Total Primary Government	<u>\$ 85,495,250</u>	<u>\$ 94,893,022</u>	<u>\$ 94,794,285</u>	<u>\$ 100,172,055</u>	<u>\$ 99,813,669</u>	<u>\$ 100,225,589</u>	<u>\$ 103,481,584</u>	<u>\$ 106,101,105</u>	<u>\$ 107,983,990</u>	<u>\$ 109,350,433</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 25,681,434	\$ 25,399,275	\$ 30,654,190	\$ 22,494,619	\$ 24,620,272	\$ 15,412,339	\$ 15,766,658	\$ 8,153,140	\$ 10,079,017	\$ 12,149,103
Business-Type Activities	<u>4,216,205</u>	<u>4,815,037</u>	<u>3,107,880</u>	<u>4,942,411</u>	<u>4,675,785</u>	<u>4,545,231</u>	<u>6,252,489</u>	<u>6,034,411</u>	<u>4,930,748</u>	<u>4,358,272</u>
Total Primary Government	<u>\$ 29,897,639</u>	<u>\$ 30,214,312</u>	<u>\$ 33,762,070</u>	<u>\$ 27,437,030</u>	<u>\$ 29,296,057</u>	<u>\$ 19,957,570</u>	<u>\$ 22,019,147</u>	<u>\$ 14,187,551</u>	<u>\$ 15,009,765</u>	<u>\$ 16,507,375</u>

County of McHenry, Illinois
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	\$ 981,546	\$ 1,841,063	\$ 3,367,690	\$ 4,896,687	\$ 3,890,055
Unreserved	35,354,484	39,680,368	42,525,921	38,848,139	44,881,550
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 36,336,030</u>	<u>\$ 41,521,431</u>	<u>\$ 45,893,611</u>	<u>\$ 43,744,826</u>	<u>\$ 48,771,605</u>
All Other Governmental Funds					
Reserved	\$ 10,994,326	\$ 15,815,383	\$ 17,104,118	\$ 21,158,012	\$ 21,152,055
Unreserved					
Special revenue funds	50,058,502	54,420,402	64,119,701	66,212,656	77,525,162
Capital projects funds	3,935,868	3,605,068	32,098,411	13,341,272	260,818
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 64,988,696</u>	<u>\$ 73,840,853</u>	<u>\$ 113,322,230</u>	<u>\$ 100,711,940</u>	<u>\$ 98,938,035</u>

Note: The County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable the fund balance categories used prior to 2011.

2010	2011	2012	2013	2014
\$ 4,543,345	\$ -	\$ -	\$ -	\$ -
47,525,814	-	-	-	-
-	1,440,951	979,132	1,310,108	3,228,443
-	929,636	366,748	534,121	691,306
-	2,957,458	3,832,006	3,497,757	4,932,913
-	48,567,345	48,046,334	46,556,929	39,848,586
<u>\$ 52,069,159</u>	<u>\$ 53,895,390</u>	<u>\$ 53,224,220</u>	<u>\$ 51,898,915</u>	<u>\$ 48,701,248</u>
\$ 36,357,884	\$ -	\$ -	\$ -	\$ -
68,443,969	-	-	-	-
14,036	-	-	-	-
-	1,423,664	1,348,569	1,225,166	1,244,143
-	110,227,554	105,282,972	102,894,199	102,933,948
-	1,892,753	1,883,704	1,902,877	2,073,251
-	(841,118)	(604,437)	(1,372,726)	(1,541,451)
<u>\$ 104,815,889</u>	<u>\$ 112,702,853</u>	<u>\$ 107,910,808</u>	<u>\$ 104,649,516</u>	<u>\$ 104,709,891</u>

County of McHenry, Illinois
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2005	2006	2007	2008	2009
REVENUES					
Charges for services	\$ 17,777,743	\$ 23,884,511	\$ 26,105,579	\$ 24,538,491	\$ 30,460,458
Licenses and permits	2,215,929	2,161,925	1,762,656	1,422,286	1,147,302
Fines and forfeitures	1,621,631	1,561,136	1,629,982	1,534,686	1,328,070
Grants, contributions, and intergovernmental	23,587,863	17,920,531	23,172,332	22,599,354	27,441,735
Property taxes	46,421,825	50,749,521	54,626,949	58,945,966	63,863,503
Sales taxes	8,956,331	9,530,333	9,533,202	14,392,386	16,052,268
State income taxes	5,057,081	5,465,713	5,875,908	6,214,390	4,703,268
Tax transfer stamps	5,025,204	4,631,095	3,264,738	1,968,253	1,232,451
Other taxes	6,527,582	6,558,678	2,143,030	2,173,857	1,779,703
Investment income	2,663,286	4,995,957	6,407,385	4,650,860	733,638
Miscellaneous	491,906	870,873	650,032	364,393	610,453
Total Revenues	120,346,381	128,330,273	135,171,793	138,804,922	149,352,849
EXPENDITURES					
Current					
General and administrative	24,134,700	26,806,604	26,984,381	26,373,070	27,059,336
Community development	3,605,047	2,692,960	3,428,328	2,163,939	3,029,167
Transportation	8,397,687	9,546,135	12,599,577	13,937,579	18,708,657
Public safety	23,844,358	27,347,522	29,912,573	31,495,112	36,479,080
Judiciary and court related	10,169,039	10,819,640	13,497,931	15,791,493	13,901,681
Public health and welfare	21,513,474	23,560,643	24,679,407	27,189,292	28,632,690
Capital outlay	19,558,629	15,134,089	32,474,800	27,344,905	11,154,580
Debt service					
Principal retirement	1,587,517	2,252,439	3,220,206	7,798,926	8,548,252
Interest and fiscal charges	1,032,157	1,140,762	1,090,312	3,507,908	3,264,626
Total Expenditures	113,842,608	119,300,794	147,887,515	155,602,224	150,778,069
Excess (deficiency) of revenues over expenditures	6,503,773	9,029,479	(12,715,722)	(16,797,302)	(1,425,220)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,576,516	6,331,432	24,521,463	31,671,737	30,615,292
Transfers out	(2,592,516)	(6,331,432)	(24,521,463)	(31,671,737)	(30,615,292)
Debt certificates issued	3,100,000	4,688,000	54,885,000	-	4,480,000
Refunding debt certificates issued	-	3,592,000	-	-	-
Premium on debt issuance	-	-	137,921	-	28,416
Payment to bond escrow agent	-	(3,522,175)	-	-	-
Insurance recoveries	-	-	-	-	-
Capital leases issued	913,563	250,254	1,546,358	2,038,227	169,678
Total Other Financing Sources (Uses)	3,997,563	5,008,079	56,569,279	2,038,227	4,678,094
Net Change in Fund Balances	\$ 10,501,336	\$ 14,037,558	\$ 43,853,557	\$ (14,759,075)	\$ 3,252,874
Debt service as a percentage of noncapital expenditures	2.8 %	3.3 %	3.9 %	9.2 %	8.8 %

	2010	2011	2012	2013	2014
\$	28,813,360	\$ 28,602,757	\$ 26,671,499	\$ 24,072,857	\$ 21,568,291
	1,166,773	1,068,367	1,057,632	1,164,101	1,225,016
	1,260,451	1,159,054	1,095,605	958,208	1,039,648
	35,501,450	28,679,928	23,297,655	21,233,366	22,172,722
	64,562,786	70,755,868	72,206,475	73,113,284	74,017,467
	18,048,187	17,481,700	18,036,621	18,718,620	19,577,205
	5,780,880	5,139,609	5,749,691	6,234,765	6,265,092
	1,203,780	1,123,002	1,258,599	1,896,811	1,833,392
	1,804,807	1,955,665	2,006,647	2,005,449	2,283,433
	424,921	340,280	305,078	268,731	255,945
	837,572	719,739	510,144	430,926	583,265
	<u>159,404,967</u>	<u>157,025,969</u>	<u>152,195,646</u>	<u>150,097,118</u>	<u>150,821,476</u>
	28,389,135	30,860,975	31,904,248	32,517,099	32,892,250
	7,340,586	4,739,417	4,234,982	3,961,571	3,426,098
	18,675,266	18,835,196	18,672,852	17,126,943	17,660,855
	36,125,726	36,235,507	37,041,770	38,189,737	38,936,843
	13,890,625	13,745,080	13,835,337	13,432,634	13,581,970
	28,974,311	27,586,500	28,276,597	24,915,835	23,476,267
	13,805,171	18,429,974	12,236,735	12,892,983	13,194,968
	8,597,661	9,468,785	13,731,719	9,687,878	10,120,439
	<u>2,901,750</u>	<u>3,009,679</u>	<u>2,545,139</u>	<u>2,140,219</u>	<u>1,755,268</u>
	<u>158,700,231</u>	<u>162,911,113</u>	<u>162,479,379</u>	<u>154,864,899</u>	<u>155,044,958</u>
	<u>704,736</u>	<u>(5,885,144)</u>	<u>(10,283,733)</u>	<u>(4,767,781)</u>	<u>(4,223,482)</u>
	13,644,072	24,073,795	24,415,247	24,459,350	20,911,710
	(13,644,072)	(24,073,795)	(24,415,247)	(24,459,350)	(20,911,710)
	8,147,000	-	-	-	-
	3,448,000	-	5,465,000	-	-
	459,447	-	166,455	-	-
	(3,583,775)	-	(1,073,000)	-	-
	-	-	-	-	710,657
	<u>-</u>	<u>2,924,043</u>	<u>262,063</u>	<u>181,184</u>	<u>375,533</u>
	<u>8,470,672</u>	<u>2,924,043</u>	<u>4,820,518</u>	<u>181,184</u>	<u>1,086,190</u>
\$	<u><u>9,175,408</u></u>	<u><u>(2,961,101)</u></u>	<u><u>(5,463,215)</u></u>	<u><u>(4,586,597)</u></u>	<u><u>(3,137,292)</u></u>
	<u>8.2 %</u>	<u>8.9 %</u>	<u>11.1 %</u>	<u>8.4 %</u>	<u>8.4 %</u>

County of McHenry, Illinois
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years

Year Taxes Payable	Real Property					Railroad Property and Other	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Total Assessed Value as a % of Estimated Actual Value
	Farm	Residential	Commercial	Industrial	Other					
2005	\$ 209,598,061	\$ 6,266,193,513	\$ 863,041,722	\$ 347,842,544	\$ 13,756,505	\$ 5,115,632	\$ 7,705,547,977	\$ 23,116,643,931	\$ 0.735	33.3 %
2006	227,318,495	7,010,406,096	946,541,231	359,681,646	15,933,834	4,780,696	8,564,661,998	25,693,985,994	0.728	33.3
2007	242,284,601	7,739,948,744	1,042,482,191	378,488,761	15,210,290	5,075,587	9,423,490,174	28,270,470,522	0.706	33.3
2008	255,194,149	8,360,880,272	1,125,071,165	395,468,291	14,396,994	4,909,505	10,155,920,376	30,467,761,128	0.687	33.3
2009	270,049,021	8,639,858,959	1,186,655,676	410,478,144	14,245,656	5,356,962	10,526,644,418	31,579,933,254	0.701	33.3
2010	276,678,637	8,522,019,341	1,206,095,170	411,119,294	13,427,368	6,243,622	10,435,583,432	31,306,750,296	0.716	33.3
2011	275,661,935	7,866,580,876	1,166,707,825	397,434,087	13,333,125	7,763,227	9,727,481,075	29,182,443,225	0.792	33.3
2012	263,585,558	7,155,985,786	1,042,866,545	359,374,976	12,328,505	8,207,596	8,842,348,966	26,527,046,898	0.888	33.3
2013	246,710,702	6,359,887,024	952,581,395	326,185,550	12,468,064	9,222,423	7,907,055,158	23,721,165,474	0.996	33.3
2014	234,798,385	5,775,371,019	860,389,334	295,685,623	11,860,496	11,592,824	7,189,697,681	21,569,093,043	1.096	33.3

Source: McHenry County Assessor's Office.

Note: Each real property parcel, other than farmland, must be viewed, inspected, and revalued once every four years. Between these general assessment years, township assessors may revalue property if its value is incorrect. By law, most real property is assessed at 33.3% of its fair cash value, which is synonymous with the term market value. There are some exceptions, most notably for farmland, which is assessed based on its agricultural productivity or its ability to produce income. Farmland is reassessed each year by the Illinois Department of Revenue.

County of McHenry, Illinois
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years

	Year Taxes Payable				
	2005	2006	2007	2008	2009
DIRECT RATES - COUNTY					
General	0.247	0.250	0.250	0.285	0.300
Highway	0.055	0.060	0.064	0.060	0.060
County Bridge	0.003	0.002	0.004	0.010	0.009
Matching	0.013	0.012	0.028	0.034	0.033
Mental Health	0.125	0.121	0.118	0.114	0.116
Tuberculosis Care and Treatment	0.003	0.002	0.002	0.003	0.004
Illinois Municipal Retirement	0.075	0.070	0.056	0.037	0.038
Veterans' Assistance	0.008	0.007	0.006	0.006	0.005
Loss Prevention and Protection	0.062	0.064	0.059	0.044	0.038
Social Security	0.052	0.049	0.036	0.017	0.024
Senior Services	0.023	0.021	0.019	0.018	0.017
Nursing Home	0.069	0.070	0.064	0.059	0.057
Total County	0.735	0.728	0.706	0.687	0.701
OVERLAPPING RATES					
Municipalities	0.191 - 1.472	0.184 - 1.467	0.180 - 1.426	0.175 - 1.409	0.178 - 1.447
Unit School Districts	3.654 - 4.738	3.587 - 4.517	3.446 - 4.677	3.378 - 4.609	3.172 - 4.693
Elementary School Districts	1.941 - 3.743	1.862 - 3.683	1.919 - 3.754	1.869 - 3.714	1.891 - 3.794
High School Districts	1.970 - 2.035	1.659 - 2.086	1.599 - 2.154	1.552 - 2.149	1.559 - 2.241
Community College Districts	0.301 - 0.450	0.256 - 0.447	0.274 - 0.491	0.263 - 0.478	0.258 - 0.436
Conservation District	0.158	0.149	0.143	0.174	0.173
Township and Road Districts	0.110 - 0.701	0.105 - 0.664	0.102 - 0.644	0.098 - 0.629	0.099 - 0.647
Park Districts	0.028 - 0.553	0.300 - 0.534	0.031 - 0.524	0.032 - 0.508	0.029 - 0.528
Fire Protection Districts	0.132 - 0.660	0.126 - 0.635	0.189 - 0.623	0.184 - 0.612	0.188 - 0.638
Library Districts	0.078 - 0.418	0.074 - 0.400	0.071 - 0.395	0.069 - 0.383	0.071 - 0.392
Sanitary Districts	0.044 - 0.060	0.045 - 0.057	0.044 - 0.056	0.049 - 0.054	0.056 - 0.057
Cemetery Districts	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008
Rescue Squad District	0.091	0.088	0.200	0.195	0.199

Source: McHenry County Clerk's Office.

Notes: Rates are per \$100 of assessed valuation.

The County's ability to change property taxes is limited by the Property Tax Extension Limitation Law (PTELL). Increases are limited to the lesser of 5 percent or the increase in the national consumer price index (CPI) for the year preceding the levy year. For the 2013 levy (payable in 2014), the increase was limited to the CPI increase of 1.7%.

Year Taxes Payable				
2010	2011	2012	2013	2014
0.326	0.370	0.417	0.480	0.541
0.060	0.065	0.072	0.084	0.089
0.010	0.010	0.012	0.016	0.015
0.010	0.011	0.013	0.016	0.016
0.118	0.129	0.144	0.150	0.150
0.004	0.005	0.004	0.003	0.003
0.043	0.046	0.053	0.067	0.095
0.003	0.004	0.004	0.005	0.006
0.037	0.040	0.044	0.038	0.038
0.031	0.033	0.037	0.048	0.056
0.017	0.018	0.020	0.023	0.024
0.057	0.061	0.068	0.066	0.063
0.716	0.792	0.888	0.996	1.096

0.180 - 1.487	0.192 - 1.707	0.207 - 1.943	0.232 - 2.210	0.264 - 2.356
3.274 - 4.791	3.503 - 5.226	3.638 - 5.894	3.593 - 6.900	4.014 - 7.742
1.956 - 3.933	2.154 - 4.229	2.487 - 5.250	2.962 - 5.927	3.311 - 6.894
1.625 - 2.279	1.780 - 2.510	2.093 - 2.926	2.407 - 3.123	2.704 - 3.486
0.274 - 0.467	0.278 - 0.454	0.290 - 0.465	0.338 - 0.505	0.359 - 0.547
0.178	0.196	0.219	0.248	0.275
0.101 - 0.658	0.123 - 0.708	0.123 - 0.586	0.142 - 0.819	0.152 - 0.851
0.032 - 0.535	0.034 - 0.575	0.035 - 0.659	0.038 - 0.758	0.042 - 0.836
0.193 - 0.637	0.213 - 0.718	0.243 - 0.722	0.288 - 0.827	0.325 - 0.936
0.072 - 0.391	0.078 - 0.419	0.089 - 0.467	0.104 - 0.532	0.119 - 0.595
0.057	0.062 - 0.066	0.070 - 0.071	0.071 - 0.083	0.078 - 0.091
0.001 - 0.008	0.001 - 0.009	0.002 - 0.011	0.002 - 0.012	0.002 - 0.013
0.200	0.200	0.200	0.200	0.200

County of McHenry, Illinois
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2014			2005		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Nimed Corp.	\$ 27,951,581	1	0.36 %	\$ 9,770,586	7	0.12 %
Wal-Mart Stores, Inc.	22,977,382	2	0.29	12,678,964	2	0.15
Federal National Mortgage Assn.	13,936,485	3	0.18	-	-	-
Inland Real Estate Group	13,176,937	4	0.17	12,314,075	3	0.15
DDR McHenry SQ LLC	10,615,089	5	0.13	-	-	-
Federal Home Loan Mortgage Co.	8,461,467	6	0.11	-	-	-
Meijer Stores	7,741,061	7	0.10	11,672,951	4	0.14
Target Corp.	7,591,805	8	0.10	9,147,033	8	0.11
Skyridge Partners LP	7,574,445	9	0.10	8,780,186	9	0.11
Rubloff	7,513,351	10	0.10	13,029,448	1	0.16
Cunat Bros. Inc.	-	-	-	11,620,521	5	0.14
Motorola	-	-	-	10,726,357	6	0.13
Crystal Point Center LLC	-	-	-	8,267,158	10	0.10
	<u>\$ 127,539,603</u>		<u>1.64 %</u>	<u>\$ 108,007,279</u>		<u>1.31 %</u>

Source: McHenry County Assessor's Office.

County of McHenry, Illinois
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Net Amount Collected in Subsequent Years	Total Collected to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2005	\$	56,605,027	\$ 56,478,087	99.78	% \$ -	\$ 56,478,087	99.78 %
2006		62,333,680	62,245,602	99.86	-	62,245,602	99.86
2007		66,273,418	66,174,779	99.85	-	66,174,779	99.85
2008		69,497,238	69,328,620	99.76	-	69,328,620	99.76
2009		73,587,785	73,429,748	99.79	11,568	73,441,316	99.80
2010		74,443,780	74,299,194	99.81	(13,446)	74,285,748	99.79
2011		76,846,500	76,659,934	99.76	15,799	76,675,733	99.78
2012		78,285,064	78,153,090	99.83	5,974	78,159,064	99.84
2013		78,535,191	78,356,747	99.77	20,557	78,377,304	99.80
2014		78,627,451	78,505,603	99.85	-	78,505,603	99.85

Source: McHenry County Treasurer's Office.

County of McHenry, Illinois
RATIOS OF OUTSTANDING DEBT - BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	Debt Certificates	Debt Certificate Issuance Premiums	Capital Leases	Business-Type Activities					
				Debt Certificates	Revenue Bonds	Capital Leases			
2005	\$ 25,589,569	\$ -	\$ 1,074,018	\$ 12,500,000	\$ 325,000	\$ -	\$ 39,488,587	0.36 %	\$ 129.90
2006	28,840,473	-	785,929	12,020,000	165,000	52,774	41,864,176	0.35	134.02
2007	81,460,136	132,061	1,348,872	11,535,000	-	39,586	94,515,655	0.77	299.15
2008	74,637,760	118,297	2,410,549	11,035,000	-	25,997	88,227,603	0.71	276.89
2009	71,530,000	130,129	1,619,735	10,525,000	-	11,994	83,816,858	0.70	261.14
2010	72,045,000	546,623	647,074	9,555,000	-	-	82,793,697	0.69	268.15
2011	63,540,000	484,835	2,607,332	8,915,000	-	57,613	75,604,780	0.60	245.36
2012	55,180,000	570,574	1,927,676	-	-	43,981	57,722,231	0.44	187.32
2013	46,205,000	490,099	1,395,982	-	-	29,934	48,121,015	0.36	156.54
2014	36,875,000	412,375	981,076	-	-	15,460	38,283,911	0.28	124.59

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Demographic and Economic Statistics at page 169 for and personal income and population data.

County of McHenry, Illinois
RATIOS OF OUTSTANDING GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Value of Property	Per Capita
	Debt Certificates	Debt Certificate Issuance Premiums	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt		
2005	\$ 38,089,569	\$ -	\$ -	\$ 38,089,569	0.16 %	\$ 125.30
2006	40,860,473	-	-	40,860,473	0.16	130.81
2007	92,995,136	132,061	-	93,127,197	0.33	294.76
2008	85,672,760	118,297	-	85,791,057	0.28	269.24
2009	82,055,000	130,129	-	82,185,129	0.26	256.06
2010	81,600,000	546,623	-	82,146,623	0.26	266.05
2011	72,455,000	484,835	-	72,939,835	0.25	236.71
2012	55,180,000	570,574	-	55,750,574	0.21	180.92
2013	46,205,000	490,099	-	46,695,099	0.20	151.90
2014	36,875,000	412,375	-	37,287,375	0.17	121.35

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Assessed Value and Estimated Actual Value of Taxable Property Schedule at page 159 for property value data.
See Demographic and Economic Statistics at page 169 for population data.

County of McHenry, Illinois
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2014

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct			
County of McHenry	\$ 38,268,000	100.0 %	\$ 38,268,000
Overlapping			
Municipalities	110,532,000	5.9 - 100.0	93,709,000
Unit School Districts	860,658,000	0.1 - 100.0	379,872,000
Elementary School Districts	93,210,000	92.9 - 100.0	90,646,000
High School Districts	52,472,000	98.4 - 100.0	52,188,000
Community College Districts	445,779,000	0.1 - 96.3	22,559,000
Conservation District	134,055,000	100.0	134,055,000
Township and Road Districts	3,300,000	100.0	3,300,000
Park Districts	29,873,000	82.3 - 100.0	27,573,000
Fire Protection Districts	13,378,000	0.7 - 100.0	10,425,000
Library Districts	20,674,000	2.2 - 100.0	5,134,000
Total Overlapping			819,461,000
Total Direct and Overlapping Debt			\$ 857,729,000

Sources: Assessed value data used to estimate applicable percentages provided the County Clerk's Office. Debt outstanding data obtained from annual financial reports submitted to the Illinois Comptroller or Illinois State Board of Education or from individual comprehensive annual financial reports.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses of the County should be taken into account. However, this does not mean that every taxpayer of the County is a taxpayer of each of the above overlapping districts and responsible for bearing the repayment of the long-term debt of each overlapping district.

The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another district's assessed value that is within the County's boundaries and dividing it by that district's total assessed value.

Amounts are rounded to the nearest thousand.

County of McHenry, Illinois
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 221,534,504	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711	\$ 302,641,027	\$ 300,023,024	\$ 279,665,081	\$ 254,217,533	\$ 227,327,836	\$ 206,703,808
Less: total debt applicable to limit	<u>(1,074,018)</u>	<u>-</u>	<u>(54,885,000)</u>	<u>(50,385,000)</u>	<u>(45,695,000)</u>	<u>(40,805,000)</u>	<u>(35,715,000)</u>	<u>(30,405,000)</u>	<u>(24,855,000)</u>	<u>(19,050,000)</u>
Legal debt margin	<u>\$ 220,460,486</u>	<u>\$ 246,234,032</u>	<u>\$ 216,040,343</u>	<u>\$ 241,597,711</u>	<u>\$ 256,946,027</u>	<u>\$ 259,218,024</u>	<u>\$ 243,950,081</u>	<u>\$ 223,812,533</u>	<u>\$ 202,472,836</u>	<u>\$ 187,653,808</u>
Total debt applicable to limit as a percentage of debt limit	<u>0.48 %</u>	<u>- %</u>	<u>20.26 %</u>	<u>17.26 %</u>	<u>15.10 %</u>	<u>13.60 %</u>	<u>12.77 %</u>	<u>11.96 %</u>	<u>10.93 %</u>	<u>9.22 %</u>

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed valuation (2013 tax year)	<u>\$ 7,189,697,681</u>
Debt limitation (2.875% of assessed valuation)	<u>206,703,808</u>
Debt outstanding	
Debt Certificates	36,875,000
Capital Leases	<u>996,536</u>
Subtotal	37,871,536
Less: debt not subject to limitation	<u>(18,821,536)</u>
Total debt applicable to limit	<u>19,050,000</u>
Debt limit margin	<u>\$ 187,653,808</u>

Note: Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act)

County of McHenry, Illinois
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

911 Fund Revenue Bonds							
Fiscal Year	Charges for Services	Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2005	\$ 1,966,275	\$ 72,133	\$ 1,232,169	\$ 806,239	\$ -	\$ 13,195	61.10
2006	2,032,278	104,103	1,332,078	804,303	160,000	7,035	4.82
2007	2,209,926	135,558	1,517,913	827,571	165,000	300	5.01
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.
Operating expenses do not include interest, depreciation, or amortization expenses.
911 Fund revenue bonds were backed by charges for services, which represent monthly telephone surcharges paid on telephone lines within the County. This issue was paid off in 2007.

County of McHenry, Illinois
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
2005	303,990	\$ 11,079,014,000	\$ 36,445	53,235	3,350	5.1	%
2006	312,373	11,995,537,000	38,401	53,917	3,142	3.7	
2007	315,943	12,352,741,000	39,098	54,256	3,523	4.3	
2008	318,641	12,508,487,000	39,256	54,350	3,742	5.8	
2009	320,961	12,039,382,000	37,510	54,080	3,648	9.6	
2010	308,760	12,048,171,000	39,021	53,179	3,456	9.6	
2011	308,135	12,665,345,000	41,103	52,875	3,438	9.4	
2012	308,145	13,257,551,000	43,024	52,209	3,369	8.4	
2013	307,409	13,365,813,000	43,479	51,547	3,634	8.3	
2014	307,283	13,797,296,000	44,901	50,652	3,695	6.4	

Sources:

- (1) US Census Bureau.
- (2) Bureau of Economic Analysis, US Department of Commerce.
- (3) Regional Superintendent of Schools.
- (4) Illinois Department of Employment Security.

County of McHenry, Illinois
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,558	1	2.28 %	2,853	1	1.81 %
Wal-Mart	2,248	2	1.44	-	-	-
Jewel Osco	1,400	3	0.90	-	-	-
County of McHenry	1,335	4	0.86	1,032	3	0.65
Follett Library Resources, Inc.	924	5	0.59	1,142	2	0.72
McHenry County College	840	6	0.54	-	-	-
Catalent Pharma Solutions	750	7	0.48	-	-	-
Sage Products, Inc.	700	8	0.45	-	-	-
Snap-on, Inc.	690	9	0.44	-	-	-
Brown Printing	680	10	0.44	748	7	0.47
Affinia Under Vehicle Group	-	-	-	900	4	0.57
Cardinal Health	-	-	-	860	5	0.54
Intermatic, Inc.	-	-	-	850	6	0.54
McHenry School District #15	-	-	-	650	8	0.41
True Value Manufacturing	-	-	-	466	9	0.30
Knaack Manufacturing Co.	-	-	-	450	10	0.29
	<u>13,125</u>		<u>8.41 %</u>	<u>9,951</u>		<u>6.30 %</u>

Source: Principal employers obtained from the annual McHenry County Book of Lists, compiled by the McHenry County Business Journal. Total County employment obtained from the Illinois Department of Employment Security.

County of McHenry, Illinois
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	Full-time Equivalent Employees as of November 30,									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General and administrative	196.8	201.7	203.9	213.3	208.2	207.3	205.4	206.1	207.0	206.3
Community development	20.0	23.6	25.1	23.5	27.0	28.0	26.9	26.9	30.0	24.8
Transportation	48.0	50.5	56.5	59.5	57.4	56.4	60.0	60.0	57.0	56.0
Public safety	377.5	382.5	394.2	404.9	400.1	401.0	402.7	402.8	400.2	395.7
Judiciary and court related	175.0	194.8	211.5	212.1	208.4	214.9	207.0	208.3	209.2	208.2
Public health and welfare	270.3	300.1	302.6	312.2	359.6	358.3	333.1	329.2	308.4	306.1
	<u>1,087.6</u>	<u>1,153.2</u>	<u>1,193.8</u>	<u>1,225.5</u>	<u>1,260.7</u>	<u>1,265.9</u>	<u>1,235.1</u>	<u>1,233.3</u>	<u>1,211.8</u>	<u>1,197.1</u>

Source: McHenry County Department of Human Resources.

Note: A full-time employee is scheduled to work 37.5 hours per week, which is equal to 1950 hours per year (52 weeks * 37.5 hours/week). Full-time equivalent employment is calculated by dividing total labor hours by 1950.

County of McHenry, Illinois
OPERATING INDICATORS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General and administrative										
Documents recorded	110,544	96,602	86,224	65,141	63,309	59,651	54,381	62,098	62,056	44,148
Real estate transfer declarations	11,886	9,550	6,811	4,661	3,847	3,809	3,723	4,721	6,620	6,090
Birth certificates issued	2,264	2,213	2,062	2,066	2,020	1,889	1,806	1,798	1,656	1,731
Parcels assessed	136,646	140,899	142,521	147,007	148,679	149,278	149,348	149,353	149,251	149,189
Registered voters	184,315	186,323	189,386	199,378	200,205	202,033	202,494	203,225	204,129	206,197
Tax bills mailed	130,266	134,047	137,723	136,597	137,746	137,857	138,522	138,134	138,154	138,343
Passports applications processed	1,774	1,548	2,528	1,603	1,359	1,067	1,124	1,545	2,258	3,300
Teachers certified	3,350	3,142	3,523	3,742	3,648	3,456	3,438	3,369	3,634	3,695
Community development										
Building permit applications	1,636	1,421	1,430	1,387	1,246	1,086	886	899	904	1,002
Zoning petitions filed	140	96	100	79	58	51	51	52	48	52
Transportation										
Permits (access, facility, & utility)	104	114	159	108	90	76	105	86	64	76
Lane miles resurfaced	15.3	15.7	15.9	27.3	21.3	28.3	17.6	18.2	28.6	27.0
Public safety										
Incoming 911 calls	31,735	33,187	36,148	35,215	34,597	36,722	39,393	42,186	40,177	29,793
Arrests	3,006	2,556	3,690	3,827	3,622	3,398	3,432	2,653	3,055	3,449
Citations issued	11,223	12,215	14,085	13,294	14,527	13,558	12,322	14,679	10,709	10,127
Inmates processed	6,966	8,513	9,796	10,378	10,216	8,765	8,396	7,615	6,655	6,639
Hazardous material and other emergency responses	51	55	50	55	50	39	26	30	60	48
Judiciary and court related										
Judges	12	13	15	16	16	16	19	19	19	19
Total cases filed	93,338	96,769	105,502	103,207	93,849	90,367	81,058	77,258	72,330	64,110
Jury trials	30	37	60	81	84	80	77	47	62	92
Defendants appointed to public defender	4,826	4,213	4,306	4,979	5,124	4,406	4,179	3,888	4,281	4,126
Charges disposed by public defender	10,450	9,078	8,750	9,914	10,128	9,195	8,912	8,144	8,095	8,533
Public health and welfare										
Food establishment inspections	5,479	5,753	5,680	5,765	4,205	5,612	4,899	4,612	4,811	4,746
Vision screenings	12,577	12,095	11,114	9,629	9,028	7,966	9,135	8,275	7,699	7,926
Hearing screenings	13,989	13,255	13,272	13,126	13,063	11,999	12,381	12,222	11,202	12,954
Nursing home - resident days	40,695	41,181	43,406	44,450	45,186	44,945	44,731	44,239	44,201	44,819
Veterans assistance - new claims awarded	51	58	45	76	97	146	191	162	143	151

Sources: County Departments.

County of McHenry, Illinois
CAPITAL ASSET STATISTICS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General and administrative										
Primary buildings	2	2	2	2	2	2	2	2	2	2
Transportation										
Lane miles	495	495	502	490	495	497	497	518	518	522
Street lights	209	233	267	363	363	379	393	351	506	541
Traffic signals	25	27	29	31	32	32	35	35	36	40
Bridges	37	37	37	38	38	41	42	42	43	43
Vehicles	68	69	75	79	76	76	76	77	79	79
Public safety										
Jail inmate capacity	325	620	632	666	666	666	666	666	666	666
Sheriff vehicles	146	165	173	172	186	192	164	162	159	148
Sheriff boats	6	6	6	6	5	5	5	5	5	5
Judiciary and court related										
Courtrooms	13	13	16	16	16	16	18	18	18	18
Public health and welfare										
Nursing home capacity	117	117	127	128	128	128	128	128	128	128
Vehicles - veterans assistance	4	4	4	5	5	5	4	4	4	4

Sources: County Departments.